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Swiss bank secrecy: French savers on the hook, Page 2

NEWS SUMMARY

GENERAL

French president to visit Thatcher

President François Mitterrand of France will visit Britain for a two-day summit with UK Premier Margaret Thatcher on October 20 and 21.

The agenda will be dominated by the European Community issue and preparations for the EEC council meeting in Athens on December 6, when the budget battle will be resumed.

In Vittel, France, M Mitterrand and key African leaders were settling terms of an appeal for national reconciliation in Chad, but M Mitterrand indicated at the end of the two-day Franco-African summit that no significant progress had been made.

Dutch deal expected

U.S. Assistant Defence Secretary Robert Perle said in The Hague that he expected Dutch agreement to the siting of U.S. medium-range nuclear missiles in the Netherlands if the Geneva disarmament talks failed.

Portugal resumed talks with the U.S. on renewing the U.S. lease on the Lajes airbase in the Azores islands and is anxious for more aid in return for an agreement.

Shamir hopeful

Israel's Premier-designate Yitzhak Shamir hopes he can present a new coalition government for approval by parliament on Monday. Page 4

Jumblatt in talks

Lebanese Druze leader Walid Jumblatt had talks in Greece with Government officials, and hopes to go on to Rome and Paris. Obstacles in Lebanon, Page 4.

Israel jails German

An Israeli court jailed Sonia Tailakh, a West German married to a Palestinian, for five years for spying for the Palestine Liberation Organisation.

'Drug island chain'

Businessman Tilton Chester of Cleveland, Georgia, charged with 36 offences connected with drug smuggling, was said to have bought five Caribbean islands as staging posts for the operation. Miami tax lawyer Lance Eisenburg has also been charged as a principal.

Afghans accuse UK

The Soviet-backed Karmel regime in Afghanistan has accused British Intelligence of mixing spying with the smuggling of lapis lazuli, the precious stone found in Afghanistan.

Base message

An intruder who broke into the U.S.-Australian intelligence base at Pine Gap in central Australia sprayed the message "No to this madness" on a radar dome.

Iran activists recant

Nine jailed leaders of Iran's banned Communist Tudeh party appeared on television and denounced party activities over the last 40 years.

Earthquake in Italy

Schools and some factories were closed for structural checks after an earthquake damaged buildings at Pozzuoli, on the Bay of Naples. At least 20 people were hurt.

Briefly...

Dutch pilot was killed when an F-16 fighter crashed on take-off near Leeuwarden.

U.S. Army helicopter crashed near Benediktbeuren in the Bavarian Alps, injuring most of the 10 soldiers aboard.

BUSINESS

Eurofer fails to agree on output

● EUROFER, the troubled EEC steelmakers' grouping, failed to reach agreement in Vienna on production levels, fuelling fears of a new round of cut-price competition. Page 3. British Steel said that the future of its Ravenscraig, Scotland, works was probably secure even if the controversial steel swap with U.S. Steel goes through. Page 20.

● DOLLAR was slightly firmer at DM 2.625 (from DM 2.619), FFr 8.0075 (FFr 7.9675), SwFr 2.115 (SwFr 2.109) and Y233.95 (Y233.75). Its Bank of England trade-weighted index improved from 126.7 to 126.9. In New York it closed at DM 2.6047; FFr 7.9450; SwFr 2.1020; and Y232.37. Page 41

● STERLING lost ground again, falling 90 points to $1.475 and to DM 3.875 (from DM 3.89), FFr 11.81 (FFr 11.82), SwFr 3.1225 (SwFr 3.1325) and Y345.25 (Y347). Its trade-weighting eased from 82.9 to 82.7. In New York it closed at $1.4810. Page 41

● GOLD rose $2.75 in London to $394.375. In Frankfurt it rose $2.875 to $394, and in Zurich it rose $3 to $394.5. In New York the Comex October settlement was $393.60. Page 40

● BRITAIN'S gold and foreign currency reserves fell in September by an underlying $76m to $17.9bn.

● LONDON: FT Industrial Ordinary index rose 4.5 to 708.2. Some Government securities showed marginal falls. Report, FT Share Information Service. Page 35–37

● WALL STREET: Dow Jones index closed up 5.39 at 1,236.69. Report, Page 31. Full share prices, Pages 32-33

● TOKYO: Nikkei Dow index dropped 25.76 to 9,424.34, and the Stock Exchange index fell 1.49 to 690.51. Report, Page 31. Leading prices, other exchanges, Page 34

● JAPAN'S external current account is likely to grow to $46bn in 1988, forecasts its Research Institute of National Economy. Page 20

● CHINA has put a 10 per cent tax on capital construction outside the state plan. Page 20

● FRANCE will lift some tariff restrictions on imports of clothing, knitwear and microscopes from Hong Kong following a complaint from the colony to Gatt. Page 7

● WEST GERMAN unemployment fell by 35,000 to 2.13m last month. Page 2

● VAUXHALL MOTORS workers at Luton and Dunstable, England, voted to accept the General Motors subsidiary's improved 7.75 per cent pay offer, after a four-day strike. Page 12

COMPANIES

● SEARS HOLDINGS, British retailing group, reported record interim pre-tax profits of £60.3m ($89.2m), 71 per cent ahead of same period last year. Details, Page 25; Lex, Page 20

● ITALMACCHINE of Milan is to build and equip a $3m factory in China that will be able to produce 1m pairs of shoes a year.

● GOLD FIELDS American Corporation paid $394,000 to David Lloyd-Jacob, who resigned as chairman and chief executive, and is to pay him $200,000 more in November 1984. Page 26

● AMSTAR, largest U.S. sugar refiner, is valued at almost $428m in a buy-out organised by investment house Kohlberg, Kravis Roberts. Page 21

● APPLE COMPUTER, once the fastest growing U.S. company, is to lay off 270 workers at its major plant, in Texas. Page 21

Reagan 'willing to trade bomber cuts for ICBM limits'

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

President Ronald Reagan yesterday launched an important new arms control initiative designed to unblock the stalled Geneva negotiations with the Soviet Union on reducing the strategic nuclear arsenals of the two superpowers.

The centrepiece of the new American proposals is an offer to negotiate a "build down" of the two sides' strategic nuclear forces – under which old weapons would be withdrawn faster than new ones are introduced – alongside the existing negotiations on specific limits for individual weapons systems.

Mr Reagan added that he was ready for a "trade-off" with Moscow, under which the U.S. would cut its superior strategic bomber force in exchange for limits on the destructive capability of land-based intercontinental ballistic missiles (ICBMs), in which the Soviet Union has the advantage.

The U.S. was also willing to explore further ways to limit American air-launched cruise missile forces, about which Moscow is particularly concerned, "in exchange for reciprocal Soviet flexibility on items of concern to us."

Mr Reagan said he had instructed Mr Edward Rowny, his chief strategic arms negotiator, to table the proposals in Geneva after the talks resume today.

The new U.S. initiative in the Strategic Arms Reduction Talks (Start) follows barely a week after Mr Reagan's speech to the United Nations in which he outlined new U.S. concessions in the parallel Geneva negotiations with Moscow on intermediate range missiles in Europe.

Mr Reagan emphasised that in both sets of talks it was the Soviet Union that had "stonewalled" while the U.S. had made every effort to "go the extra mile." The Soviet Government "must start negotiating in good faith," he said.

The complicated build-down concept would, under Mr Reagan's proposal, be applied in a number of different ways, with the aim of encouraging a move away from "destabilising" weapons, such as multi-warhead, land-based missiles and towards more "stabilising" weapons, such as single-warhead land-based missiles and submarine-launched missiles.

As an example, an Administration official said, it could be agreed that as each side modernised its forces, it should remove two old, land-based missile warheads for each new one introduced. For submarine-launched warheads, the proportion would be three old for two new.

At the same time, there would be a provision that the total number of ballistic missile warheads on each side should be reduced by a mandatory 5 per cent a year. The reductions would be paced by whichever of the two provisions produced the greatest reduction.

The official put no figure on possible U.S. bomber reductions, but said that the U.S. would be willing to see how a build down of bombers could be linked to reductions in missiles.

"We are prepared to discuss a wide variety of trade offs," he said.

Argentina set to defuse court's debt challenge

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

ARGENTINA'S military junta is expected to act tomorrow to defuse the financial crisis caused by the arrest on Monday night of the country's central bank governor, Sr Julio Gonzalez del Solar, on charges that he had usurped the national interest by signing a $200m rescheduling agreement for the state airline Aerolineas Argentinas.

One likely move is to take the whole matter out of the hands of a provincial court and support a justice ministry appeal to a higher court in Buenos Aires.

The arrest has brought Sr Gonzalez del Solar the dubious distinction of being the second prominent central banker to be jailed in recent years. The other was Sr Mario Sarcinelli, deputy governor of the Bank of Italy, who was arrested by Italian police in the run-up to the Banco Ambrosiano scandal in 1979.

There was a tendency among international bankers yesterday to try to shrug off the arrest as another demonstration of Argentina's penchant for melodrama, but underlying the events of recent days is a more deep-seated worry about the course of political events in Buenos Aires.

For the apparent audacity of Federal Judge Federico Pinto Kramer in ordering the arrest of a government official illustrates graphically the extent to which Argentina is now in the grip of pre-election fervour. The country's commercial bank creditors are well aware that the greatest risk to their loans has always been posed by adverse political rather than economic developments.

Unlike most other Latin American countries, Argentina can demonstrate the ability to pay off a substantial portion of its $39bn foreign debt. It is almost self-sufficient in energy, and enjoys a food surplus as well as considerable established industrial capacity. Unlike its neighbours it also has a relatively low population density. All these are factors which in the past have produced a rapid and marked recovery from recession.

These advantages have also brought home to Argentines the knowledge that theirs is one of the few countries which could survive for any length of time a repudiation

Continued on Page 20

Italian groups win $380m Sudan pipeline contracts

BY QUENTIN PEEL, AFRICA EDITOR, IN LONDON

TWO contracts worth more than $380m have been awarded to a consortium led by Snamprogetti of Italy for the construction of a 900-mile oil pipeline in Sudan and associated production facilities.

The pipeline is the largest single element in a $960m plan to make Sudan an oil exporter by 1986, involving a complex financial package for one of the world's most chronic debtor nations.

Export credits totalling about $350m have been given special exemption from any future debt rescheduling by the Paris Club of Western creditor governments in order to enable the scheme to go ahead. Because of frequent reschedulings in recent years, Sudan is off cover for most government export credit guarantee agencies.

Details of the contracts were announced in London yesterday by Dr Sharif el-Tuhami, Sudanese Minister of Energy and Mining, who is also chairman of the White Nile Petroleum Company, which will own and operate the pipeline. The winning consortium includes Snamprogetti and Saipem, both belonging to Italy's Ente Nazionale Idrocarburi (ENI) group, Chiyoda of Japan, and Tafrab, a U.S.-Saudi construction company.

Unsuccessful bids were submitted by consortia headed by Mannesmann of West Germany, Nacap of the Netherlands and Technip of France.

The twin pipeline system will carry an initial 50,000 barrels a day (b/d) of crude from the Unity and Heglig oilfields, being brought into production by Chevron in south-central Sudan, to an export terminal to be built near Port Sudan on the Red Sea. It has an ultimate potential capacity of 190,000 b/d.

The main $300m contract was awarded by White Nile, whose shareholders include the Sudan Government and Chevron Overseas Petroleum (a subsidiary of Standard Oil of California) with 43 per cent each, the International Finance Corporation (IFL) with 8 per cent, and the Arab Petroleum Investment Corporation (Apicorp) with 6 per cent. The $80m contract for associated production facilities was awarded by Chevron Sudan.

Financial arrangements for the entire $960m package, which will include about $200m for the export terminal, as well as working capital, interest during construction, management fees and an overrun provision, are "substantially in place", according to Mr Azam Alizai, the board director representing the IFC.

He said the crucial element had been approval given by the Paris Club governments to exclude the necessary export credits from any future debt rescheduling. "Without that, the project could not materialise," he said.

David Marsh in Paris writes: Officials in Paris confirmed yesterday that a meeting of leading Western nations granting export credits agreed last month to exempt the Sudanese pipeline deal from any future debt rescheduling.

The decision was taken "reluctantly," one official said, because the Paris Club had never before formally agreed to create preferential classes of creditors among lenders to developing countries.

EEC states reject herring catch quotas

BY JOHN WYLES IN LUXEMBOURG

THE EUROPEAN Commission failed last night to edge the EEC towards "completion" of its common fisheries policy, when most governments rejected new compromise proposals for sharing out the highly controversial North Sea herring catch.

Their reaction was a serious setback for the Commission, and the Council of Ministers' fourth failure since June to add agreed herring quotas to those for the seven other most valuable species established by the fisheries' policy last January. On the second day of their complex negotiations, ministers were again unable to find room for compromise, partly because of their fears of alienating their domestic fishing industries. Only the UK proved ready to accept the Commission's proposals, provided everyone else did.

But the other major herring fishing countries – Denmark, West Germany, the Netherlands, and Belgium – all found key elements unacceptable. Without a herring agreement, the Ten cannot move on to a very belated share-out of the 1983 total allowable catch for the main species. All this year, their fishermen have been catching on the basis of the scientifically established catch for 1982, and they face the prospect of having to scale down their activities significantly next year because estimates of the possible catch for 1984 are very much lower.

The Commission's compromise foundered largely because it was too closely based on ad hoc proposals for a 1983 herring quota, which both Denmark and West Germany rejected out of hand because each was receiving only 9 per cent of the catch. The Commission tried to persuade them that their shares would increase radically to 21.5 per cent for Denmark and 14 per cent for Germany, once the total possible herring catch reached 250,000 tonnes. This was too distant a prospect for the Danes and the Germans, and their rejection proved crucial.

The UK's share under the Commission compromise would have fallen from 28 per cent under the ad hoc 1983 proposal to 23 per cent on the basis of the very much larger 250,000 tonne possible catch. Such a share would be likely to meet favour with the British fishermen's organisations, whose leaders privately concede that British boats have rarely, if ever, taken more than 17 to 18 per cent of the North Sea herring catch.

Opec minister in oil price warning

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

A LEADING minister in the Organisation of Petroleum Exporting Countries (Opec) has warned producers that oil prices might collapse next year if worldwide stocks of crude oil are not reduced.

Dr Mana Said Al-Oteiba, the United Arab Emirates oil minister, has criticised some Opec members for contributing to the current surplus of supplies. He told the Arabic-language newspaper Al-Sharq Al-Awsat that overproduction by countries inside and outside Opec would not help the market to achieve a better balance.

Opec's market monitoring committee, chaired by Dr Oteiba, has written to member states whose output has exceeded the organisation's agreed production limits, asking for an explanation.

The replies from these unnamed countries are to be studied at a committee meeting in Vienna on October 27, Dr Oteiba said. He added that the organisation was also contacting non-members to explain the need for observed production ceilings and pricing stability.

Meanwhile, the influential Middle East Economic Survey has reported that world crude-oil supplies are now significantly exceeding refiners' needs, with the result that stock levels are rising appreciably. Opec's production was estimated to be about 18.3m barrels a day.

The publication said that some oil sellers were questioning the International Energy Agency forecast that consumption would rise in the fourth quarter of this year. If the extra demand failed to materialise, because of mild weather or a continuation of the economic recession, excess stocks would probably be sold cheaply.

Share deal for unions plan puts Swedes on the street

By Kevin Done in Stockholm

WITH THEIR winter coats, rolled umbrellas, tasteful, chic scarves and Burberry hats, the assembled ranks of Sweden's businessmen and their wives and supporters looked as if they were out on a massive shopping expedition. Other more sporty versions looked as if they were dressed for the golf course – except that yesterday the golf clubs were replaced by placards and the shopping took second place to demonstrating.

As few issues before it, the plans of Sweden's Social Democratic Government to introduce wage-earner funds have brought normally silent, passive Swedes out on the streets in protest.

Most Swedes have sat quietly back for years, supporting, or at least accepting, the growing regulation of their lives, which has produced one of the world's most highly ordered societies.

But, for many businessmen, at least, plans developed by the Social Democrats and the trade unions for wage-earner funds have proved the last straw. The funds, financed by a tax on company profits, would be controlled by trade union representatives and would invest in company shares, thus taking a growing ownership stake in Sweden's industry.

Yesterday, the day of the state opening of parliament, Swedish businessmen decided it was time to bring their increasing resentment on to the streets. By chartered aircraft, trains, and buses, they came from all parts of Sweden. Police estimated that as many as 80,000 to 100,000 marchers gathered, in one of the country's biggest post-war demonstrations, to march on parliament.

It was like being in two worlds. Inside the new/old Riksdag – Sweden's venerable parliament building was reopened by the King yesterday after 12 years of restoration and reconstruction – Mr Olof Palme, the Prime Minister, was busy lauding the Social Democrats' old ideal of making Sweden a "Folkhemmen," a "Home for the People."

Beside the quayside outside, the old steamboats chugged past on the canals of Stockholm's old town and a few fishermen continued to cast their lines in hope of salmon beneath the Parliament Bridge, where the fresh waters of Lake Mälaren meet the salt water of the Baltic.

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Swedish Government financial proposals, Page 3

CONTENTS

Relief in Portugal at agreement on vital IMF loans

BY DIANA SMITH IN LISBON

THE DECISION by the International Monetary Fund to make Portugal an exception to its temporary embargo on new loans has been greeted with relief in Lisbon. The SDR 448m (£313m) standby loan, the letter of intent for which was signed in August, plus a Compensatory Financing Facility of SDR 258m (£180m) negotiated at the same time are essential for the stabilisation of Portugal's external finances this year.

The first standby tranche of SDR 96.5m and the full CFF is expected to be disbursed shortly after the IMF board clears Portugal's letter of intent this Friday.

The essential performance clauses to which Portugal is bound before further quarterly tranches are delivered are:

- reduction of the current account deficit to $2bn (£1.35bn) this year, and $1.25bn (£844m) in 1984 compared with $3.2bn (£2.16bn) in 1982.
- containment of the budget deficit to 8 per cent of gross domestic product this year and 6.5 per cent next.
- *holding of the total foreign debt to $14.6bn this year and $16bn in 1984.*

There are signs that this year's current account target can be met. The balance of payments deficit dropped by $800m to $1.4bn at the end of the first half compared with the same period 1982. There also appears to have been an even more spectacular reduction in the third quarter. Basing themselves on a very moderate movement of reserves in the period, officials estimate that the third quarter current account deficit may be as low as $100m.

The Government has reduced public investment this year and introduced new taxes. More cuts and further tax measures are expected in next year's budget.

Preliminary talks are well under way for the second seven-year Republic of Portugal loan this year of $300m. There was strong market resistance to the first loan from December to June but things appear to be going much better this time.

Eleven large international banks—four U.S., three Japanese, three British and one Arab—are reportedly showing interest in leading the loan syndicate. The Japanese are understood to be willing to take 30 per cent of the $300m loan, leaving the other lead managers with about $23m each.

The terms the Portuguese are looking for are seven years, with ⅜ of a per cent over Libor and 50 base points on U.S. prime rate.

The non-U.S. banks have some reservations about the terms being offered on the Eurodollar segment which they consider less profitable. Hard bargaining over this should begin in the next couple of weeks.

Unemployment total falls again in West Germany

BY JOHN DAVIES IN FRANKFURT

THE NUMBER of unemployed in West Germany fell last month for the second month. Taking account of seasonal influences, however, unemployment appears rather to have stabilised after some months during which the deterioration has slowed down.

A total of 2.13m people were registered out of a job last month. This was 62,000 fewer than in August but 314,000 more than a year ago. On a seasonally adjusted basis, the number was almost identical to the previous month at 2.34m.

The Federal Labour Office put the unemployment rate at 8.6 per cent, compared with 8.9 per cent in August and 7.5 per cent a year ago.

The improvement is partly due to a decision of the statisticians to increase their assessment of the total available worforce last month to 24.8m, in the wake of a mini-census taken some 18 months ago.

Meanwhile, industrial production — which statistically includes building — was unchanged in August compared with the previous month.

Warships win battle of Italian bridge

By James Buxton in Rome

THE STORY of the warships built on the wrong side of a low bridge should have a happy ending—at least for some people. The Italian roads authority has decided after seven years to open part of the bridge.

The ships — minehunters with fibreglass hulls—are being built near La Spezia for the Italian, Malaysian and Nigerian navies by a company named Intermarine.

It knew they would be too tall for the bridge, but went ahead on the basis of a 1976 agreement with Anas, the road authority, that the bridge across the River Magra would be opened.

That agreement started a furious row, involving politicians, environmentalists and unions. The environmentalists warned that the beautiful Magra valley was threatened then the Anas executive, who signed the 1976 agreement, was officially charged with "having a private interest in an official transaction."

Anas decided under pressure to go back on its agreement but Intermarine refused to contemplate alternative ways of getting the ships out.

Last month, with one ship ready, customers holding up payments and orders being lost, Intermarine issued an ultimatum: it would sack its 460-strong workforce if nothing was done about the bridge by October 3.

The Government stepped in. The board of Anas, with a minister presiding, decided to open the bridge.

- Three British police officers investigating the death in London last year of the Italian banker, Sig Roberto Calvi, have travelled to Milan to interview Sig Flavio Carboni, a Sardinian businessman, thought to be a key figure in the case.

Sig Carboni is believed to have been one of the last people to see the chairman of Banco Ambrosiano alive. He was extradited from Switzerland last October charged with involvement in the fraudulent bankruptcy of Banco Ambrosiano and has subsequently been charged with complicity in an attempt on the life of Sig Calvi's colleague at the bank, Sig Roberto Rosone.

FT writers examine the international controversy over Switzerland's unique bank laws

France blasts a hole in a wall of secrecy

BY DAVID MARSH IN PARIS

"IT'S THEIR FAULT," says M. Patrice Cahart, the deputy head of the French Customs Directorate, part of the all-powerful Economy, Finance and Budget Ministry. "They should have declared the accounts during the amnesty last year."

He is talking about the several tens of thousands of French savers with cash stashed away illegally in Swiss bank accounts. They are now sleeping uneasily as the result of one of the biggest-ever crack-downs on capital flight started by the French customs last month.

The affair, involving—the French claim—the uncovering of magnetic discs and computer lists containing details of thousands of French account-holders at the Union Bank of Switzerland, contains bizarre elements normally confined to spy thrillers.

Swiss bankers have denied that such a major leak of information could have occurred. But the UBS is now taking the drama seriously enough to mount an internal investigation into if and how such a lapse could have happened.

Ironically, if the bank proves that a breach of security has taken place, unmasked French depositors now facing heavy fines at home could end up suing UBS to get their money back.

The French Government is taking discreet pleasure from the slap-in-the-face dealt out to the Swiss banking fraternity.

Holding bank accounts abroad—in all but exceptional cases involving heritages or professional work abroad—has been illegal for individuals in France since long before the Socialist Government came to power in spring 1981.

But the problem of capital flight has been a particular *bête-noise* for the Socialists since they took office. Large amounts of cash and gold were thought to have been smuggled across the Franco-Swiss border immediately following the Socialist victory—in spite of (or perhaps because of) a sharp tightening of foreign exchange restrictions.

Last year, the Finance Commission of the National Assembly—in what was clearly only a rough-and-ready estimate—put the number of "active" Swiss accounts held by French residents at about 50,000, each containing an average of FFr 500,000 (£42,300) to FFr 700,000.

The Paris Government has revealed that about 300 account-holders owning a total of FFr 175m have so far confessed to police and customs agents. A series of swoops around the country since last month resulted from the decoding of the deposit lists, using sophisticated Government computers normally reserved for counter-espionage work.

That could represent just the tip of the iceberg, as the lists on which the Customs are now working is believed to contain more than 5,000 names. "Investigations are continuing," says M Cahart. He makes clear that the lists contain details of named accounts as well as the famous numbered deposit.

In the latter case, French customs sleuths can do little to put names to numbers. The latest unmasking of French depositors has been based exclusively on the decoding of computerised information on accounts which bear individual's names.

As part of the psychological pressure which the French authorities like to put on suspects, account-holders who confess when confronted by customs agents can "escape" with a fine of 75 per cent of the illegal deposit for amounts of less than FFr 1m.

For larger amounts, or when no confession is forthcoming, suspects may face more rigorous penalties under full-scale court procedures — and their names may appear in the papers too.

By contrast, M Cahart points out, under the 1982 amnesty, depositors were fined only 25 per cent of the amount disclosed. The measure brought in FFr 125m in fines out of total repatriated deposits of FFr 600m.

The list of names in the Customs' possession was recovered from three sources. They came from the Nice flat of the mistress of a petty Corsican crook, from a "Swiss employee" (believed to be with the UBS) who was foolish enough to carry computer documents in his attaché case when crossing the Franco-Swiss border, and from a third and more mysterious source believed to be a computer technician who had worked for the bank.

Swiss bankers have criticised the cash inducements given to informers by the French Customs. Geneva bankers believe the names on the French lists have been gathered by under-cover work by the French, who have been accused of tapping telephones and listening in on taxi radios to discover who is visiting banks. The Customs in the past few weeks have been particularly fierce in their searches of cars. Those with French number plates, together with their owners are thought to be photographed near banks.

M Cahart, for his part, says that since a notorious affair in 1980 (when two French Customs officials were arrested while carrying out investigations in Basle) "France has given orders that Customs officials should not carry out operations on foreign territory."

He admits that the French customs, like other European countries, use a network of informers. People giving tip-offs may be paid—under a formal clause of the Customs code—one-third of the proceeds of any fine (with a ceiling of FFr 20,000, which may be lifted in exceptional cases).

Swiss banks reluctantly open up to an angry world

BY JOHN WICKS IN ZURICH

SWISS BANKING secrecy is no longer what it was. The affair of the French account-holders is only one of a growing number of efforts, both at home and abroad, to undermine or change the laws which make Switzerland one of the few countries where breach of banking secrecy is a criminal offence.

Secrecy is under constant fire because it is frequently used as a cover for transactions which are considered illegal abroad but not in Switzerland. These include tax evasion, unless it involves fraud, contravention of other countries' foreign exchange regulations and — at least until recently — participation in stock market insider deals.

Domestic and international pressure appears to be bearing fruit, as the Swiss authorities have moved some way in recent years to limit the scope of protection that banking secrecy affords. With a pending revision of banking law, more steps in this direction may be in the offing.

Switzerland's current banking secrecy laws date back to 1934, when the Government amended its Banking Act in an effort to impede Nazi attempts to trace German Jewish assets.

The Act currently provides for a prison sentence of up to six years or a fine of up to SwFr 50,000 (£15,974) for anyone divulging secrets learnt during professional activities with a bank or auditing firm or the Swiss Banking Commission.

In addition, Switzerland's criminal code has a so-called "economic espionage clause," aimed primarily at countering the activities of foreign agents. This provision has been invoked in Swiss proceedings against the Zug-based commodity trader Marc Rich AG, for passing information to the U.S. courts.

The banking secrecy provisions are widely misunderstood outside Switzerland. They do not apply in the case of suspected offences under the Swiss penal code. Numbered accounts, contrary to popular fiction, are no different from name accounts in this respect — they merely permit the identity of a client to be kept from all but a handful of a bank's employees.

Nevertheless, the authorities have felt it necessary to introduce a series of exceptions to the secrecy laws.

The first modest move occurred in 1977, when a new legal aid agreement with the U.S. permitted the waiving of the secrecy rule in tax matters where bank clients were proved to be involved in organised crime.

Under a new law in force since the beginning of this year, legal aid can also be extended to foreign countries in cases of suspected tax fraud.

The Swiss have also responded to criticism that their banks were being used for insider deals on foreign stock exchanges, particularly in the U.S. The Swiss Bankers' Association last year drew up a voluntary code with the Americans to counter abuse of banking secrecy provisions in this way.

Intended as an interim measure until insider trading is also banned in Switzerland, the introduction of this code has not prevented a major U.S.-Swiss row blowing up over alleged insider trading through Swiss banks in shares of Santa Fe International before its acquisition by Kuwait Petroleum in 1981.

At home, the banks are faced with the "Banking Initiative," a Socialist referendum proposal which calls for a number of new restrictions on the banking system. Although this is almost certain to be rejected by the electorate, it already seems to have had an impact by sharpening current efforts to revise the Banking Act.

But perhaps the best-directed move to prevent abuse of banking secrecy came in the summer of 1977, soon after the traumatic Chiasso affair, in which over SwFr 2bn of client funds were misappropriated by employees of a branch of Credit Suisse.

This was a good-conduct code signed by the Swiss National Bank and the Bankers' Association—and renewed last year—aimed at ensuring that banks ask clients to identify themselves and do not actively seek business with flight capital from abroad.

However, the Swiss National Bank, the central bank, seems increasingly dissatisfied with this arrangement. It said last month that the banks were recently becoming less cooperative and that the voluntary nature of the code was proving of questionable value. This could point to a move to anchor the code's provisions in law.

In any case, it seems likely that Switzerland will become less attractive as a haven for foreign money as a result of new double-taxation agreements. One of these, signed this year with France, goes a long way towards accommodating French demands on the taxation of Swiss assets. It will doubtless affect negotiations with the U.S. on a similar agreement and lead to parallel demands from West Germany.

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EEC steel cartel fails to agree on quotas

By Peter Bruce in Vienna

EUROFER, the troubled EEC steelmakers' production and pricing cartel, has failed again to secure agreement among its members on production levels—particularly for strip — for the rest of the year, it emerged in Vienna yesterday.

The failure will fuel fears of a new round of price cutting in Europe.

An informal gathering of Eurofer producers was held during the annual International Iron and Steel Institute's conference in the Austrian capital in an attempt finally to agree on ways to incorporate new EEC production quotas into its agreement. Monday's meeting, which ended without result, follows a string of negotiations since the EEC Commission slightly extended, and redistributed, production quotas in July.

While *Britain and France* emerged with slightly more generous quotas, in recognition of rationalisation in their steel industries, the West Germans and Italian producers have claimed that their share of total EEC output was cut.

Eurofer's difficulty now is that producers which gained quota wanted the current so-called "Eurofer III" agreement, which ends in December to be cut short in order to allow them immediately to begin putting their extra tonnages on the market.

Producers which lost on quota, particularly the Germans, have refused to go along and insist that Eurofer IV begins on January 1 next year.

The beneficiaries of the Commission's new quotas have, however apparently been persuaded to apply their new tonnages from October only.

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Palme promises tough curbs on public spending

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

SWEDEN'S minority Social Democratic government promised yesterday to take hard measures to restrain state spending in an attempt to limit the massive budget deficit.

Opening the new session of Parliament, Mr Olaf Palme, the Prime Minister, made clear that the Government intends to push through its plans for limiting index-linked automatic increases in public expenditure.

"It is inevitable that a severe testing of expenditure will effect areas which many regard as essential," warned Mr Palme, "and the necessary economies will therefore be felt by all groups in the community."

It is unclear, however, how determinedly in practice the Social Democrats will attack the budget deficit. Indexation is to be re-introduced for pensions, for example, but after the effect of last year's 16 per cent currency devaluation has been taken into account.

Despite the squeeze on public expenditure, Mr Palme also promised an early package of measures to combat rising unemployment which is higher in Sweden than at any time since the 1930s.

"The primary goal of policy is to safeguard employment," said Mr Palme. "Large-scale efforts are necessary to reduce unemployment among young people."

Investments in energy and public investment in the communications sector would be kept at a high level, he said, and a 10-year house renovation programme would be started.

Alongside the fight against unemployment the Swedish Government is struggling above all to bring the 9 per cent inflation rate closer to the levels of the country's main trading partners.

Mr Palme repeated the Government's aim of an inflation rate of 4 per cent next year, a target regarded as hopelessly optimistic by many of the country's leading economists.

France imposes freeze on cafe and hotel prices

BY DAVID HOUSEGO IN PARIS

THE French Government has further tightened price controls by ordering cafes, hotels, restaurants and repair shops to freeze their prices as at the end of last month.

The new measures reflect the Government's anxiety to hold down the inflation rate in the remaining months of the year so as to prevent fresh pressure on the franc and an acceleration in wage claims. Deliberately excluded from the measures are industrial prices which the Government recognises must be freed if companies are to restore their profit margins.

Under the new instructions from the Ministry of Economy, those hotels, restaurants and cafes which have violated the price code by raising their tariffs by more than the permitted 7 per cent will now have to bring them down. On government figures, hotels have raised prices this year by 9.8 per cent, cafes by 10 per cent and restaurants by 7.4 per cent.

Spain takes gas pipeline plan to IEA

By David White in Madrid

SPAIN WILL present today to the International Energy Agency (IEA) in Paris a preliminary study on the viability of its ambitious scheme for a pipeline bringing Nigerian and North African natural gas to Europe via the Straits of Gibraltar.

Sr Martin Gallego, Secretary for Energy at the Spanish Industry Ministry, said yesterday he would be seeking "a certain political accord" among the Western European countries concerned, with the aim of launching a full feasibility study by the end of the year.

Since it was first floated at the IEA in May, the scheme appears to have won political backing from the U.S., since the main reasoning behind it is to diversify sources of supply and reduce the dependence of countries such as West Germany and France on gas received through the Siberia pipeline.

Spain also argues that the project promises adequate return on the multi-billion dollar investment, and contracts for European industry for supply of pipe and compressors. It claims the scheme provides a cheaper means of marketing African gas than liquefaction.

The preliminary study, which has cost the Spanish governmentment some $1m, sets out two possible routes from Nigeria. The shorter of these—just over 4,000 miles — would pass through Niger, Algeria and Eastern Morocco, at an estimated cost at 1983 prices of between *$10bn (£6.8bn) and* $12bn, depending on the pipe diameter. In the other alternative, which adds almost 1,000 miles to the route and raises the cost to between $10.5bn and $13.7bn, supplies from Nigeria would avoid Algeria altogether, passing through Niger, Mali, Mauritania and Southern Morocco, possibly linking up with new natural gas fields there. A separate pipeline from Algeria would join up with this at the Gibraltar Straits.

A third alternative being considered is a reduced scheme from Algeria only. This, it is estimated, would cost between $5.6bn and $7.4bn, and would have a higher rate of return than the others, which are seen as broadly similar in this respect.

On the European side, the provisional pipeline route cuts diagonally through Spain, France and Luxembourg, ending in West Germany.

The scheme rests on expectations of increasing gas demand in Western Europe, and a sharp growth in the course of the 1990s of the amount not covered by domestic output or by imports that have already been contracted. This amount is put at between 69bn and 91bn cubic metres in the year 2000, compared with 1.9bn in 1990.

Calculations on the different pipeline alternatives are all based on a sales volume of between 20bn and 30bn cubic metres a year, either jointly from Nigeria and Algeria, or from Algeria alone.

Danes plan boost for economy

By Hiliary Barnes in Copenhagen

Mr Poul Schlueter, the Danish Prime Minister, yesterday launched in Parliament a programme to restore the economy through encouraging investment, boosting shareholding, and generally improving the business climate.

Outside, an estimated crowd of 50,000 demonstrated against reductions in social welfare spending and called for the Government's resignation.

Mr Schlueter, a Conservative, heads a four-party, non-Socialist minority coalition, which took office in September last year after eight years of Social Democrat rule. It has no guarantee that it can carry its programmes through Parliament but comments by the main opposition parties on yesterday's opening speech were relatively conciliatory.

The programme has five main points:

- Government support for industry will be switched increasingly to high technology areas and to support small companies.
- Share investment will be encouraged, especially in the form of employee shareholdings. A share saving scheme with tax concessions will be introduced. Pension and insurance funds will be allowed to invest a larger share of their capital in shares.
- Income tax reform will aim to equalise tax on the first and last krone earned; the Government will try to reduce the 2.2 per cent wealth tax.
- Users of public services will be expected to pay for some services which are now free, but they will be covered by insurance schemes.
- The public sector will be modernised by decentralisation and the introduction where possible of market economy principles.

MINISTERS TO CONSIDER HIGH LEVEL GROUP'S REPORT

Nato set to reduce nuclear arsenal

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

SENIOR Nato officials meet in Brussels today to finalise a report believed to recommend substantial cuts in the numbers of short-range nuclear weapons in Europe.

The report of the High Level Group of senior defence and foreign affairs officials is the culmination of more than a year's detailed assessment of how Nato could cut its stockpile of some 6,000 nuclear warheads without endangering its deterrence strategy.

Defence ministers of the 16-nation alliance are expected to announce Nato's decision to reduce the nuclear stockpile when they meet in the Nuclear Planning Group in Canada at the end of this month.

Precise numbers of weapons to be eliminated are being kept secret until the Ministers' meet. Unofficial estimates suggest that the total to be withdrawn could be about 2,000.

The weapons under consideration range from nuclear artillery shells to bombs dropped from aircraft. Most though not all are owned and operated by or are under the control of the U.S., although they are held with the forces of eight Nato countries.

The new move is related to Nato's decision to deploy cruise and Pershing 2 nuclear missiles, in that the alliance has pledged to take out 572 existing warheads on the basis of one for every new one deployed.

However, there is a growing if publicly unstated belief within Nato that the use of *battlefield* weapons could be politically and militarily untenable and that therefore many more than the 572 "compensatory" warheads could be removed.

Today's meeting in Brussels is expected to recommend to ministers how Nato can make maximum political capital out of the decision to cut the stockpile. Governments are anxious to get more credit for the reductions than the U.S. received when it unilaterally withdrew 1,000 warheads from Europe in 1980.

Ministers hope that the reductions can be presented as an attempt by Nato to lower the threshold at which nuclear weapons would be used in any future conflict.

They hope the cuts will help to temper opposition to Nato's nuclear policies, and in particular—given the probable failure of the Geneva arms control talks—to the decision to start deploying Cruise and Pershing missiles in Europe within the next *few* weeks.

BONN is suggesting privately that a proposal for a super-conference of the five main nuclear powers could be a last-minute way to budge the Soviet Union from its position on intermediate-range nuclear weapons, writes James Buchan in Bonn.

With six weeks to go before Nato must decide whether to deploy its own medium-range missiles in Europe, Bonn is concentrating on trying to move Moscow from its firm insistence that British and French missiles be counted in the intermediate-range nuclear force (INF) talks at Geneva.

Bonn believes the Soviet Union, by insisting that British and French forces are quite adequate for Western Europe without new deployment, has hit on a formula which is plausible to public opinion and capable of causing endless mischief in the alliance.

The new concept is designed to regain some of the ground in public opinion without straining relations within Nato.

AP adds from Moscow: The Soviet Union yesterday warned that the deployment of Nato missiles in Western Europe will "knock the ground from under" the INF negotiations.

Saudi arms deal poses stiff test for Kohl

BY JAMES BUCHAN IN BONN

HERR HELMUT KOHL, the West German Chancellor, today sets off on his first official journey to the Middle East with a stop in Saudi Arabia that could prove one of the most difficult visits on his career.

Arriving in Jeddah from Egypt on Sunday evening, he will need considerable diplomatic skill to steer a middle course between the long-standing Saudi request for West German weaponry and misgivings about such a sale at home, officials say. Bonn must also take Israel's bitterly expressed opposition into account.

A senior West German official involved in preparing the visit, which begins with talks in Jordan today, said that Bonn was ready to co-operate militarily with Saudi Arabia. But the year-old Kohl Administration has been embarrassed by a Saudi claim that former Chancellor Helmut Schmidt promised in 1980 to deliver an important batch of armoured vehicles and artillery, including the Leopard 2 tank which is widely considered to be the most effective in the world.

Whether the promise was given is questioned. The official said files on the subject were not very revealing. Herr Schmidt, whose own Social Democrats were largely opposed to the sale, said in 1982 that the Saudis could not have gained the impression that the Leopard 2 would be sold.

Bonn is anxious not to damage relations with its chief Arab trading partner and a state vital to European security. Leading Saudis have recently warned in private that West Germany should make some response for oil deliveries and a direct credit line established in 1980.

They are said to have claimed that West Germany should join Britain, France and even the U.S. in backing the Saudi armed forces with training and material. "They are trying to force us to decide," the official said.

Herr Kohl is expected to argue that his government cannot make a promise it may not be able to fulfil. There are doubts whether his coalition would find a majority for a Leopard 2 sale any easier than Herr Schmidt's.

He will also point out that he has enough problems with opposition to the stationing of new U.S. nuclear missiles

One possibility being suggested is to discuss armoured vehicles and artillery other than the Leopard 2. The Saudis are known, however, to be particularly interested in the tank.

OVERSEAS NEWS

Concessions sought in Sino-Soviet talks

BY MARK BAKER IN PEKING

CHINA HAS indicated that the Soviet Union will need to give concessions if a fresh round of talks between the two countries this week is to make progress.

The chief Chinese negotiator, Vice-Foreign Minister Qian Qichen, said yesterday that he wanted to see movement towards normalising Sino-Soviet relations in the talks, which resume tomorrow.

"However, this cannot be decided by our side alone," Qian said.

The Soviet negotiating team, headed by Vice-Foreign Minister Mr I. F. Ilyichev, arrived in Peking early yesterday afternoon and was met by Qian and ambassadors from Vietnam and eastern European countries.

Mr Ilyichev said he was "optimistic" about the talks, the third round in consultations which began last October in an attempt to heal the 20-year rift between the two communist nations.

But both Chinese and Soviet officials have indicated privately that the latest talks are unlikely to bring significant change.

China is insisting that the Soviets give ground on their support for the Vietnamese occupation of Kampuchea, the invasion of Afghanistan and the deployment of Soviet troops and missiles along their border, including in Mongolia. Moscow has insisted that such "third country" issues cannot be discussed.

A visit to Peking three weeks ago by Mr Mikhail Kapitsa, the Deputy Soviet Foreign Minister – the most senior Soviet official to be invited to China since the early 1960s – was important in developing informal contacts, but did not appear to have achieved any progress on the main abstacles between the two countries.

But Western diplomats believe China may want to use the latest talks to counterbalance impressions that it is moving close to the United States, after last week's visit by Mr Caspar Weinberger, the U.S. Defence Secretary, and the announcement that President Reagan will visit China next April.

Chinese leaders have emphasised their wish to develop a foreign policy independent of the two superpowers.

It is believed that China wants to arrange a meeting soon with Mr Gromyko, the Soviet Foreign Minister. Wu Xueqian, the Chinese Foreign Minister, had planned to meet Mr Gromyko during the United Nations General Assembly session, before Mr Gromyko cancelled his trip to New York because of attacks on the USSR over the shooting down of the South Korean airliner.

Obstacles remain to talks on Lebanon

BY OUR FOREIGN STAFF

BURSTS OF gunfire from the southern suburbs of Beirut yesterday underlined the continuing difficulties in convening national reconciliation negotiations in Lebanon.

As the ceasefire edged into its ninth day, little progress appeared to have been made in setting the venue and agenda for the proposed talks. Syria was reported to have objected to proposals that the talks should be held in Saudi Arabia. It had instead suggested Tunis, the headquarters of the Arab League.

Further problems arose when former President Sulliman Franjieh, who has close links with Syria, said that before negotiations began, the Lebanese Government should revoke the Israeli troop withdrawal agreement.

The failure to get the talks started increased tension in the southern suburbs of Beirut where the Shi'ite Moslem militias of Amal (hope) are facing the Lebanese Army. Shooting broke out on several occasions yesterday but neither side used heavy weapons.

Radio stations reported that the clashes had been fuelled by the increasing number of desertions from the Lebanese Army, mainly by Druze soldiers but also by Shi'ites. President Gemayel of Lebanon reacted angrily on Monday to suggestions by Druze leaders that they were planning to set up local administrations in the areas they control in the Chouf Mountains.

The Syrians have meanwhile been accused by senior officers of the Palestine Liberation Organisation of planning military action against forces loyal to Mr Yassir Arafat.

Mr Khalil Wazir, the senior PLO military commander, said Syria was building up its forces in the north of Lebanon in preparation for an attack on loyalist guerrillas. Several Palestinian commanders in Syria were said yesterday to have transferred their allegiance to rebel forces.

Shamir still hopes for coalition

BY DAVID LENNON IN TEL AVIV

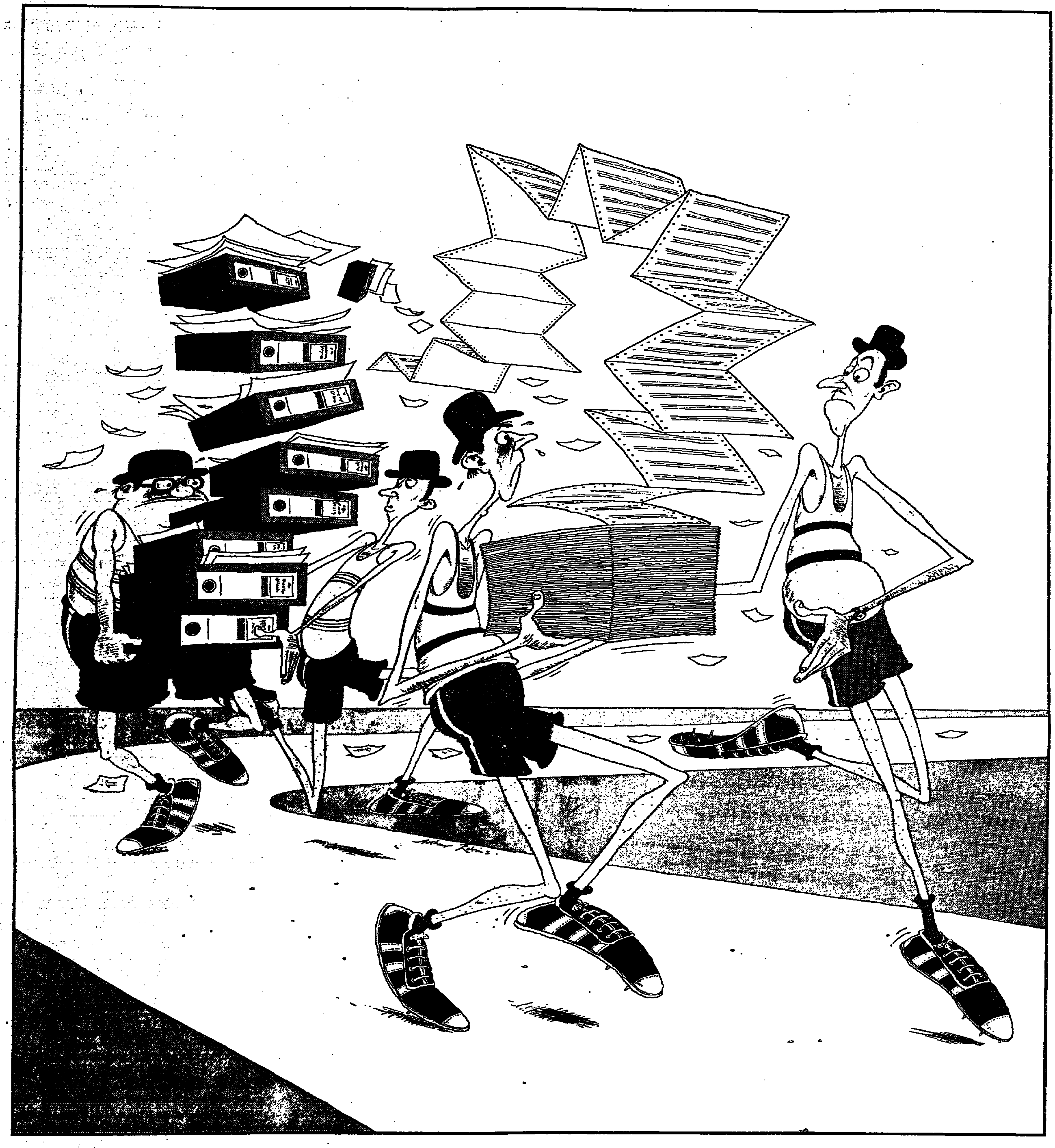
MR YITZHAK SHAMIR, the would-be Israeli premier, still hopes that he can present a new coalition Government to the Knesset for approval within the 21 days allotted to him by the President when he was invited to try to form a government.

However, he will apparently need to use the full three weeks, because of the obstacles raised by six members of his own Likud bloc and by Agudat Israel, a junior coalition partner.

The Likud leader has already abandoned his plan to seek Knesset approval this week for his new government. Party leaders said yesterday that they hope to go to the Knesset next Monday.

The 21-day period allocated by the President to Mr Shamir ends next Tuesday. If Mr Shamir has not won Knesset approval for his government by then, he will have to return to the President and request another 21 days' grace.

The Likud leader devoted his full working day yesterday to efforts to persuade Agudat Israel to support his government. The religious party, with four Knesset members, threatened to withhold its support unless it is given the timetable for the implementation of promised legislation on religious issues.



OVERSEAS NEWS

White South Africa at reform crossroads

BY J. D. F. JONES IN JOHANNESBURG

SOUTH AFRICA'S politicians and opinion formers are halfway through a long and furious referendum campaign for a new constitution which has been in the making for more than five years.

Propagandists for a Yes vote are talking of November 2—Referendum Day—as the most important date in South Africa's history. Some of their opponents are scared they may be right. Others dismiss the whole exercise as an irrelevance. Certainly, the proposed constitution, on which 2.7m whites will be voting Yes or No, is on the face of things a dramatic transformation of the South African political system as it was laid down in the 1910 Act of Union.

The most obvious consequence of the decision by the Prime Minister, Mr P. W. Botha to press through with the new constitution is that he and his Government are now committed irrevocably to the "reformist" path which has been debated here between *verligtes* and *verkramptes* ("enlightened" and conservative factions of Afrikaneroom) for a decade and more.

In essence the constitution will bring the 2.5m-strong coloured (mixed-race) and the 0.8m-strong Indian minorities into a white-controlled parliamentary system under an executive president with considerable De Gaulle-style powers. More than 22m blacks are offered no role in that set-up but are to continue on the road to "independence" in their own system of ethnic states (and therefore, to be deprived of their South African citizenship) in line with classic apartheid ideology.

The coloureds and Asians are to vote for their own "houses" in a parliament of three chambers linked by a system of standing committees whose functioning is not yet clear. Each chamber will have authority over its community's affairs, but "general" in other words, national—affairs will inevitably be dominated by the whites by virtue of the ratios built into the whole system of four white votes to two coloured and one Asian.

Mr Botha has staked much of his political credibility on the outcome, and it is hard to see how he could survive a No note. But as things look at present (unhelpfully, opinion polls in South Africa are banned within six weeks of a poll) that contingency is unlikely to arise. Mr Botha's own National Party is campaigning vigorously—and spending a lot of money — for a Yes vote with the support, to no one's surprise, of the moribund New Republic Party (NRP), the rump of the old United Party of General Jan Smuts. The NRP's strength in Natal could be valuable.

The No camp brings together two unlikely bedfellows — the official opposition Progressive Federal Party (PFP) and the Conservative Party. Both of them are embarrassed by being on the same side because their reasons for opposing the new constitution are diametrically opposite. Mr Botha is exploiting this situation skilfully and, one suspects, profitably.

The liberal PFP opposes the constitution because, it argues, the blacks will be excluded and isolated, because it builds white dominance and apartheid into the system for ever, because it offers the coloured and Indians only the illusion of power, and because it gives the Presidency excessive powers.

The extreme right wing Conservative Party, which broke away from the Government early last year under the leadership of the *verkrampte* minister Dr Andries Treurnicht, objects to the constitution because, it claims, it will lead to racial integration, will give non-whites power over white affairs, is a repudiation of basic apartheid, does not opt for an ethnic state for the coloureds, and gives the President dictatorial powers. Most of the CP arguments are shared by the other extreme right body, the Herstigte Nasionale Party (HNP).

Mr Botha, a skilful politician, has been making hay with these contradictions among the No voters. He needs to, of course, because—thanks to the Conservative breakaway—he knows that for the first time the National Party cannot automatically deliver a majority of the Afrikaner vote. He therefore has to win over enough of the English-speaking vote if he is to win. So he is saying to the urban English (who may well deplore apartheid and vote PFP in an election): a No-vote is a vote for the Conservatives and against reform.

The tactic looks like working. Many whites who have never had a good word for the Government are tempted by the argument that the constitution is "a step in the right direction." The PFP leadership is frantically pointing out that a Yes vote is a vote for apartheid, a vote for the exclusion of blacks and so forth, but even such normally anti-Government journals as the Financial Mail are calling for a Yes with the strange argument that the constitution is "an abortion—but it's better than the alternative."

The debate has therefore thrown up some curious developments whose impact will continue to be felt after November 2.

- Loyalties have suddenly slackened: many PFP supporters will vote Yes; many Nationalists will, no doubt, secretly vote No.
- Those who vote Yes for the new constitution will vote ostensibly for reform in South Africa but will in effect be voting for the permanent rejection of the black majority—unless, as the Government repeatedly denies, there is a "hidden agenda" for dramatic new reforms after the vote is won.
- It is the English-speaking South African who is going to have a decisive say, for the first time for many years. The Afrikaner Prime Minister has had to acknowledge that his own *Volk* is split and he is therefore forced to woo the English to carry through his policy. The English will no longer be able to tell the world they are not responsible for apartheid, now that it has new clothes.
- There has been one more surprising development. The blacks—who of course have no vote and might be assumed not to have a say in the referendum campaign — are speaking up loudly and with effect. The Government is irritated with this uninvited contribution, and with good reason.

Most South African businessmen have so far been coy about committing themselves in the referendum campaign, professing that the Yes/No vote is a personal and private matter.

Mr Harry Oppenheimer of Anglo-American Corporation hosted a luncheon for Johannesburg businessmen at which the PFP leader, Dr Van Zyl Slabbert, urged the guests to vote no, but there has been no public "endorsement" of the PFP position although the party has enjoyed Mr Oppenheimer's financial backing for years.

A group of more conservative business leaders has been reported to be lobbying for a "yes" vote. Names mentioned include Dr Frans Cronje (Nedbank and SAB), Ted Pavitt and Basil Landau (Gencor), Albert Wessels (Toyota), Alastair MacMillan (Rio Tinto), Raymond Ackerman (Pick 'n Pay), Louis Shill (Sage Holdings), and Dick Goss (formerly SAB now Sun International).

Tokyo conference told of threat to electronics jobs

BY OUR FAR EAST EDITOR IN TOKYO

EMPLOYMENT IN the world electronics industry has stopped growing since the beginning of the 1980s even though the industry itself is booming, the International Metal Workers Federation claimed in a declaration issued at the end of its Tokyo conference last night.

The federation which represents 14m workers in metal working industries throughout the world, claims that jobs are being eliminated from many sectors of the industry by computerisation and robotics.

The introduction of new technology is also claimed to be having the effect of polarising employment between a few highly privileged workers and large numbers of others whose jobs have been downgraded.

In a working document prepared for discussion at the conference the federation secretariat claims that employment in the French, West German and Dutch electronics industries fell by 6, 8 and 7 per cent respectively between 1975 and 1982.

Employment in Japan is conceded to have risen by 10 per cent during the latter half of the 1970s, but since 1981, the federation says, there has been almost no further increase.

Federation officials led by Mr Herman Rebhan, the organisation's general secretary, said last night that they did not see a shift of employment from the West to Japan as one of the key problems in the electronics industry.

Instead, the federation thinks that employers should be compelled to sign high technology agreements which guarantee consultation with unions about technological innovation.

Britain's textiles trade deficit soars to £843m

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

BRITAIN'S adverse balance of payments in textiles and clothing soared dramatically in the first half of this year when a 27 per cent rise over the same period of 1982 took the figure to £843m.

Figures released today by the British Textile Confederation (BTC), which covers all sections of the industry, show that while exports rose by 1 per cent to £1.13bn in the half-year, imports jumped dramatically by 11 per cent to £1.97bn.

Most of the increase in the deficit arose from a very large rise in spending on spun yarn, fabrics, carpets and household textiles.

The rise, according to Mr Ian MacArthur, director of the confederation, "underlines that our biggest problem is the unrealistic level of sterling against continental currencies.

"The real exchange rate, when account is taken for inflation, has moved against us dramatically over the past five years. We have lost 50 per cent national competitiveness against Belgium, 32 per cent against France and West Germany and 26 per cent against Italy.

"It is remarkable in this situation that exports have stood up so well to the enormous pressures on them."

By volume, overseas sales went up 8 per cent, though this was entirely accounted for by a big rise of 24 per cent in fibres and filament yarns.

The BTC attributed the success of fibres sales to their being at the start of the production chain. The decline in sterling against other European currencies between November 1982 and March 1983 boosted exports; after March currency movements acted against overseas sales of such items as made-up clothes, which come later in the chain.

Figures show that much of the rise in imports came from high-cost producers in the EEC and other developed countries. But in the highly sensitive product areas such as cotton yarn and fabric, sweaters and trousers, covered by the Multi-Fibre Arrangement, which governs trade in these products, the UK imported 6 per cent more by volume from countries in the Far East, South East Asia, India and Latin America.

The EEC now accounts for just over half Britain's imports compared with a third from the low-cost countries in the developing world. The one part of the world where there has been a marked improvement in the UK's trade is with the U.S., where the exchange rate has moved favourably for British industry.

Turkey, according to the BTC, continues to be a "major problem"; agreed restraint levels were breached this year and "the need for very careful monitoring of Turkish undertakings and for action to be taken to enforce them more rapidly than happened earlier this year" is necessary.

One bullish note is that despite the lower levels of overseas sales "capacity reductions and closures meant that individual firms were exporting a larger share of their output."

But looking to the future Mr MacArthur felt that domestic activity continued to improve in the second half of this year "but it has come from a very low base and we are concerned that the base is fragile."

Textile and Clothing Imports in First Six Months 1983. British Textile Confederation, 24 Buckingham Gate, SW1; £25.

Italians' equity stake in Chinese shoe plant

By James Buxton in Rome

A MILAN-BASED company which is to build and equip a shoe factory in China is to take an equity stake in it.

The shoe plant will produce about 1m leather and sports shoes a year, 70 per cent of them for export to the rest of Asia and to the U.S. It is to be built at Wanxiwn, capital of Sichuan province.

Italmacchine, an Italian company which specialises in building tanneries and leather plants, is to design, build and equip the plant, which will cost about $3m. Through Cogeca Recman, a joint venture of Italmacchine and the shoe manufacturer Cogeca, it will take 40 per cent of the equity, worth about $1m, and also assist with the operation of the plant

The Chuandong Leather Industrial Corporation of Wanxiwn will own the rest of the shares.

Although it is fairly common for Hong Kong and Chinese businessmen to take equity stakes in companies in China, it is much less usual for European companies to do so, although the Chinese often request it as a condition of granting the supply contract.

Australia's surplus with Japan is in jeopardy, **Colin Chapman** reports from Sydney

Why export-import policy must be changed

SOME OF Japan's top industrialists will visit Australia this month and will confirm the worst fears of mining leaders. Japan, they are expected to say, will continue to diversify its source of raw materials away from Australia.

Translated into stark figures, this will produce a millstone Australia could do without, for it looks as if the present financial year will be the first in history in which the trade balance between the two countries will have swung in favour of Japan.

As a result Australia's external trade is undergoing its biggest shake-up since Britain's entry into the EEC in 1973 caused the loss of the preferential Commonwealth tariff and forced a drastic rethink of Canberra's economic policy. Losing preferential treatment led Australia to develop new markets on the strength of its resources developments in Japan and elsewhere in the west Pacific.

This allowed Australia to build up trade surpluses with Japan, enabling it to fund substantial deficits with the major Europeans nations, from which it has bought luxury consumer goods, insurance and other financial services. The recession has changed this pattern, with Japan moving to divert its resources base away from Australia while at the same time pushing its exports so hard that it has now overtaken the U.S. as the top importer.

Australian exports to Japan have been growing at an annual rate of 10 per cent while imports from Japan have been rising at about 20 per cent a year.

Australia's trade surplus with Japan has slipped from US$2.55bn in 1980 to $823m last year, and almost certainly will be even less this year.

Australian trade officials point out that 60 per cent of Australian imports are inputs to industry, and many Japanese products are seen as being better priced and of better quality than American or European goods. In other words, the extra imports from Japan are substituting for imports from elsewhere.

They also see it inevitable that exports to Japan should have fallen.

The recession in the steel industry has reduced the overall demand for both coking and steam coal. Then there is the fact that crucial areas of Japanese industry have been restructured. Japan's aluminium industry is currently producing at a rate of only 300,000 tonnes a year compared with 1.6m a few years ago. Steel production peaked at 132m tonnes in 1978-1979, and is now running at well below 100m tonnes and is unlikely to recover. "These two factors together have taken the guts out of bilateral trade," said one Canberra official.

SOUTH AUSTRALIAN Premier John Bannon has announced an A$140m construction project involving major Japanese and South Australian construction firms, AP-DJ reports from Tokyo.

Kumagai Gumi and Australia's Pak-Poy Kneebone, through their joint-venture, Pak-Poy Kumagai, will manage and develop the "largest construction project in the history of the city of Adelaide," Mr Bannon said at a news conference on Monday.

Additionally the Japanese economy is now growing at a much lower level than in the late 1970s, with energy demand figures in particular being constantly revised downwards, leading to the abandonment or postponement of plans to convert power stations from oil to coal.

Even so the Japanese export drive is a success story, a combination of expert marketing and correct pricing overcoming the obstacle of Australia's high tariff wall.

For example the price of a Honda Accord, a medium family saloon, in Australia is out of all proportion to its normal position in a neutral market like Switzerland or Singapore. It justifies a luxury tag in Australia, and potential buyers face a waiting list, whereas General Motors-Holden, a local manufacturer, has several times been forced to register for itself cars coming off the production line and then sell them cheap to dealers at discounts of up to $2,000.

Conversely the Australian export push in Japan has been a disappointment. Australian negotiators of coal and iron ore sales have been outwitted on both price and contract tonnages. Trade officials have been unable to stop the Japanese from diversifying their sources of coal, wheat and meat to the U.S., and iron ore to Brazil.

Union militancy in Australia has given Japan a ready excuse to change its buying habits. Japanese industrialists now publicly refer to Australia's "unreliability" as a supplier. Although the strike record has improved considerably since Mr Bob Hawke's Government was elected in March, there still are some black spots—none worse than the Pilbara iron ore region of Western Australia. Rolling strikes at Hamersley have so far cost the country's biggest iron ore miner more than $25m and over 1.5m tonnes of lost production.

As one executive put it, "two months of strikes have crippled our industry. The Brazilians must be laughing all the way to the bank."

The latest developments in the trading pattern between Australia and Japan is being closely watched by the South Koreans. They are currently in the same position as Japan a decade ago, increasing their take of Australian raw materials while finding it difficult to establish markets in Australia.

In the five months to May, Australian exports to Korea of coal rose by 32 per cent, beef by 66 per cent, and sugar by 76 per cent. Korean exports fell to only US$94m, as against its imports from Australia of $378m. This imbalance in favour of Australia is likely to continue in the short-term as Korea has contracted to buy 3.5m tonnes of steam coal alone by 1985, compared with 440,000 tonnes shipped last year.

A recent Federal Government scheme to shore up BHP's steel division with bounties will hit the Korean steel exporters hard. The Seoul Government is now encountering strong pressure from industry to retaliate against Australian exports unless the Koreans can secure better access.

Australian trade policy is in transition under the new trade secretary, Mr Lionel Bowen, who is about to put to the Cabinet a detailed set of policy proposals. These are still in preparation, but heavy emphasis will be laid on the two biggest sectors, coal and wheat. There will be a major drive to double tourist arrivals, and also under consideration is the establishment of a commercially-oriented trading corporation on the lines of Japan's trading houses.

Pretoria asked to stem scotch whisky imports

BY JOHN STEWART IN CAPE TOWN

COMPETING INTERESTS in the South African wine and spirits wholesale trade have taken the uncommon step of banding together to ask the South African Government to impose price-related controls on the import of scotch whisky.

In a joint submission to the Board of Trade and Industries (BTI), the Cape Wine and Spirit Institute, representing the country's major wholesale producing merchants, and the South African Wine and Spirits Importers Association, known as Winespin, have called for the introduction of an impost similar to the EEC's system of reference prices as a deterrent against alleged dumping of scotch.

The South African Board of Trade was instructed by Mr Dawie de Villieres, the Industries Minister, in March to investigate complaints of unfair competition from keenly priced imports of largely non-proprietary brands of scotch, many of which retailed in recent price wars at levels on or below the price of locally produced brandies. Under "normal" trading conditions, Cape Brandy is about 25 per cent cheaper than most brands of scotch.

With Britain in the vanguard, EEC governments responded sharply to the announcement of the investigation and cautioned against possible steps to raise barriers against EEC wine and spirits exports to South Africa, and added that the matter should not be viewed in isolation from the overall trading interests of South African and Europe.

The investigation continues, however, but a report is not expected until early next year.

On past record, the Board of Trade is unlikely to take a favourable view of the joint submission of the two wholesale organisations. Although their respective members compete at the obvious level of imports versus local products, they do have interlocking interests to the extent that, at another level, most of their members are both major importers and wholesale producing merchants.

For example, Cape Wine and Distillers, South Africa's largest wine and spirit house with about 90 per cent of the market, is also by far the country's largest importer of proprietary brands of Scotch and accounts for more than 50 per cent of all whisky sold in South Africa. The Republic is the world's 11th largest importer of Scotch whisky and annual sales are currently running at about 19m bulk litres.

There is a remarkable uniformity in the price of most proprietary brands of Scotch sold in South Africa, but this cohesion has come under strong pressure in recent years.

Exports of Scotch to South Africa were worth £25m last year, South Africa taking about 2.6 per cent of exports and coming into the top 10 of export markets.

The Scotch Whisky Association said that it had put in its own comments to the BTI and was awaiting a decision. The matter was now, in effect, sub judice.

UK-Indonesia taxation treaty

By Chris Sherwell, South-East Asia Correspondent

THE DOUBLE taxation treaty between Britain and Indonesia will continue in force beyond its expiry date at the end of this year pending a further round of talks between the two sides.

The Jakarta Government, having originally given six months' notice of termination at the end of June, subsequently said it wished to renegotiate the treaty.

A first round of talks in Jakarta last month was described by British officials as "very useful," and a second round is likely to take place early next year.

Hong Kong trade eased

FRANCE WILL lift restrictions on six tariff positions for Hong Kong goods following a complaint from the Colony to the General Agreement on Tariffs and Trade (Gatt), Reuter reports from Geneva.

France made the announcement that the quantitative restrictions would be lifted in a Gatt council meeting Monday night, a spokesman said.

Covered were certain items of clothing and knitwear and compound optical microscopes. However, umbrellas, radios and radio parts, boats, toys and toy parts and the main item of Hong Kong complaint—quartz watches—remain under restriction.

Anti-dumping case fails

BY PAUL CHEESERIGHT IN BRUSSELS

THE ATTEMPT by Rhone-Poulenc, the French chemical manufacturer to have extra duties placed on the EEC import of xanthan gum from the U.S. has failed. The European Commission yesterday announced that it was rejecting an anti-dumping complaint.

Xanthan gum is a thickener and emulsifier used in the cosmetic and food industries.

The complaint was lodged for Rhone-Poulenc by the Council of the European Federation of Chemical Industries (CEFIC) in July 1982. It has been rejected because the Commission could find no evidence of injury to Rhone-Poulenc.

This is only the second time the chemical producers have had an anti-dumping case rejected because no material injury could be found. CEFIC has 62 anti-dumping cases on its books, of which 38 have been concluded or are under investigation. The rest are ready to be lodged.

Victory for U.S. gun control campaigners

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. Supreme Court dismissed a constitutional challenge to the nation's strictest local gun control law on Monday, in what supporters of gun control called a "day of triumph" for their cause.

The Supreme Court's ruling let stand a local ordinance in Morton Grove, a suburb of Chicago, which totally banned the possession of hand guns by all residents other than law enforcement and military personnel.

The decision thus implied for the first time that there is nothing unconstitutional about restricting the ownership of guns and is likely to lead to numerous similar bans being passed by other local jurisdictions.

The provision in the U.S. Constitution, which guarantees all citizens the right to "bear arms" has for decades provided a seemingly inviolable underpinning for opposition to any form of gun control by the National Rifle Association and other powerful conservative lobbies.

However, in recent years, local governments and courts have attempted to interpret the Constitution in a more restrictive manner.

The Constitution actually states that "a well regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed." In declaring the Morton Grove ordinance to be consistent with this provision, lower courts had argued that the Constitution only covers weapons necessary to maintain an organised armed force, and not handguns.

They had also ruled that the Constitution only restricts the Federal Government's rights to infringe on gun ownership, leaving state and local governments to make their own decisions.

Technically, the Supreme Court's decision on Monday not to review these lower court decisions does not create a binding legal precedent.

But in practice it will provide substantial encouragement to advocates of gun control because it is consistent with the two full-scale decisions the court has made on the issue

In the more recent of these, taken in 1939, the Supreme Court rejected a challenge to a federal law prohibiting the interstate transport of sawn-off shotguns.

Marcos 'not offended' by Reagan postponement

BY OUR FOREIGN STAFF

PRESIDENT Ferdinand Marcos yesterday said he was not offended by President Reagan's postponement of his planned Manila visit and laughed off a suggestion that opposition to his own rule was growing.

Opposition leaders in Manila however, said they felt that the cancellation of Mr Reagan's November visit could signal the beginning of withdrawal of U.S. support for Mr Marcos. But their jubilation was tempered by growing fears that Mr Marcos might now make good his threats to crack down even harder on moves to oust him.

Mr Marcos told U.S. television in a live interview that he had written to President Reagan on September 29, saying he would not feel offended if the visit was called off "for reasons that he considers supervening."

The Philippines leader then quoted a letter from Mr Reagan saying the reason for the cancellation was an unexpectedly busy schedule in the U.S. Congress. The letter did not mention the August assassination of Mr Benigno Aquino, the popular opposition leader, or the recent violent wave of anti-Marcos protest demonstrations.

Sr Ferdinand Marcos

Mr Marcos said that Mr Reagan had written: "I received your message and appreciate it very much, but I want you to know that I have always had confidence in your ability to handle things. Our friendship for you remains as warm and firm as ever."

Asked if there were any circumstances under which he would yield to demands for his resignation to be followed by elections, Mr Marcos laughed loudly and said: "It's ridiculous." He described such suggestions as "childish daydreaming."

Opposition leaders, however, yesterday renewed their calls for Mr Marcos to step down. Mr Salvador Laurel, head of the largest opposition grouping, urged that a transition government be established and take immediate liberalising measures. Otherwise, he said, "we may have another Iran or Nicaragua."

He welcomed the visit's cancellation but said that Mr Reagan could have gained more "points" among Filipinos if he had openly demonstrated disapproval of the Marcos Government.

On the other hand, political observers said that, over the medium term, the cancellation might be more to Mr Marcos' benefit rather than the opposition's.

The death of Mr Aquino and anti-U.S. sentiment had provided a clear focus for mobilising the large-scale demonstrations all last month. With the impact of the assassination becoming somewhat diffused by time, the Reagan visit would have provided the opposition with enough fuel to continue the momentum of the protest movement, they said.

Pilots on strike at Continental aim to disrupt expansion plans

BY TERRY DODSWORTH IN NEW YORK

STRIKING PILOTS at Continental Airlines, the Houston-based carrier which has filed for the protection of the bankruptcy courts, claim that their action will undermine their company's plans to expand its services tomorrow.

Continental reduced flights by around two thirds when it resumed operations last week in a new slimline form using only about 4,000 of its 12,000 employees. But the company is aiming to build up again from this base, using cut – price fares, made possible by sharp reductions in wages, to attract passengers.

The long-term objective of Mr Frank Lorenzo, chairman of Continental is to refashion the airline under the umbrella of the Chapter 11 bankruptcy regulations, which are designed to protect companies from their creditors while they reorganise their finances. Mr Lorenzo has told the workforce that he wants reductions in numbers of around one third, pay cuts of up to 50 per cent, and longer working hours.

The pilots, who are backed by the airline's 2,700 stewardesses, said yesterday that their stoppage is becoming increasingly effective.

Even the airline has admitted that it is not able at the moment to operate fully according to its reorganised schedules, and it is estimated that only about 80 per cent of its services are running as planned.

About 350 pilots, some hired from Continental's sister airline, Texas International Airlines, are presently flying for the company. But Continental will need more if it is to expand its services as planned, and the pilots are confident that the stoppage will be strong enough to prevent this.

The pilots say, however, that they are now talking with Continental about reopening negotiations in which they would be willing to make some concessions. They argue, however, that these should not be given away immediately in fare cuts, which, they claim, are pushing the company deeper into losses.

"We gave the company $100m last year, but it has just put it into fare wars. We want to know why," said a spokesman.

In a separate development, Eastern Air Lines, which has also threatened closure or bankruptcy proceedings, says that it has won majority support from its non-union workforce for a 15 per cent reduction in wages.

ENERGY REVIEW

The Shell symbol dominates Brunei's oil wealth

By Chris Sherwell, recently in Kuala Belait, Brunei

"NODDING DONKEY" machines heave back and forth, sucking oil from below the sandy earth. Offshore, rigs dot the distant horizon and beyond. Support vessels ply the blackened South China Sea from the safety of a nearby river, where jack-ups and submersibles are under construction.

This is Brunei oil country. Nearby on one side of the single main road south from the capital, Bandar Seri Begawan, stands a 4m-barrel oil terminal. On the other is a glistening new 10,000 b/d refinery, undergoing tests for a November 1 start-up.

All around, a single red and yellow symbol dominates, the trademark of Royal Dutch/Shell. Oil and gas exploitation accounts for 80 per cent of Brunei's gross domestic product, and over the past 50 years, since its first discovery in 1929, Shell has been the only oil major here.

Because of its bounteous oil wealth, Brunei (population 193,000) will be among the richest nations in the world per capita when it assumes full independence on January 1 after some eight decades of British protection. The future of Shell in such circumstances is thus crucial.

The country's autocratic ruler, Sultan Sir Muda Nassanal Bolkiah—whose family has held power for four centuries—has given no indication of any change in Shell's relationship with Brunei after independence, according to Mr Peter Everett, head of Shell's vast operations in the country.

"The Brunei Government is as well looked after as other governments in oil-producing countries," he says of the state's participation in the business. "There is no trigger for change."

Shell's operations embrace several companies:

● Brunei Shell Petroleum, which is concerned with the exploration and production of oil and natural gas, oil refining and crude oil trading. Royal Dutch/Shell has had a 50:50 shareholding with the Brunei Government since 1975.

● Brunei LNG, which buys natural gas from Brunei Shell Petroleum, liquefies it and then sells it to Brunei Coldgas, a trading company responsible for transporting it to Japan under a 20-year contract begun in 1973. Royal Dutch/Shell has an equal one-third shareholding in both companies with the Brunei Government and the Mitsubishi Corporation.

● Brunei Shell Marketing, which markets all oil and chemical products within the state. Royal Dutch/Shell and the Brunei Government has equal shareholdings in this, also.

"We had to persuade the Government to take a 50 per cent share in Brunei Shell Petroleum," says Mr Everett. Originally the Sultan responded to Shell's 1973 invitation to participate by agreeing to take only a quarter of the shares.

Apart from the dividends it receives, the state also levies taxes and receives royalties. As a consequence, much more than half the countries exploited oil and gas wealth remains in Brunei hands. Figures on the economy, culled from official statements and bankers' estimates, reveal the fantastic results:

● Budgeted expenditure for fiscal year 1983, beginning January 1, was B$1.69bn, with another B$600m to be placed into the Brunei Development Fund. Revenue was forecast at B$6.1bn (US$2.8bn), leaving a B$3.81bn (US$1.77bn) surplus. In 1982 the surplus was even higher at around B$5.3bn.

● Exports in 1981 totalled B$8.59bn (U.S.$4bn), imports B$1.26bn, leaving a balance of trade surplus of B$7.33bn (U.S.$3.4bn). This was expected to be only marginally smaller in 1982 and 1983. Oil and gas exports account for 98 per cent of the total.

● No statistics are available for non-merchandise trade and capital flows. But income from overseas investment of foreign exchange reserves more than outweighs freight and insurance costs, profit and dividend repatriation or workers' remittances, while investment abroad will probably be larger than foreign investment inflows. From this, Brunei's overall payments surplus is estimated at U.S.$1bn-2bn each year.

● Official international reserves in 1982 were officially put at just over B$24bn (about U.S.$11.16bn) from an estimated U.S.$9.3bn in 1981. The figure will be higher still this year. The 1981 amount was sufficient to cover about 150 months of merchandise imports.

In practical terms, these figures translate into a per capita income of around U.S.$22,000 per year, and into such projects as an expanded international airport, a state-of-the-art hospital, a vast sports stadium and modern colour television, and—more controversially—an expensive but stunning new palace which one banker describes as a modern Versailles.

Most families have at least two cars, bought on interest-free loans (licence fee: about U.S.$1 per 100 cc; petrol: U.S.$1 per imperial gallon), and live in houses purchased with loans at half of 1 per cent interest. Education and health care are both free, foreign scholarships are attractive, and terms and conditions of employment within government and Shell are better than any other employer can offer.

To be set against all this are the country's oil and gas propects, and here forecasts are even more difficult because much of the relevant information is jealously guarded.

Daily oil production will average out at 175,000 barrels this year, says Mr Everett, acknowledging that there have been "a couple of difficult months" so far. Although this is on a par with 1982 and 1981, and reflects to a large extent the state of the world market, the figures are far lower than the levels of the late 1970s. Production peaked at 254,200 barrels a day in 1979.

This has led some to conclude that production from Brunei will either be stable or falling over the next five to 10 years. No-one likes to talk about reserves, and the usual phrase is that there is enough oil to last "well into the next century." Mr Everett allows that half of all that is producible has already been extracted—about 1.6bn barrels.

One possible pointer to the present state of affairs is that Jasra Jackson, a joint venture between a local company and Jackson Exploration of Dallas, has had two dry holes in offshore areas relinquished by Shell and is now reviewing its position. Another company, Woods Petroleum, is holding off in its own nearby area as a result.

Both companies started in Brunei in the hope of striking lucky in areas which Shell could not economically tap. One of the risks such companies run is that they strike gas—in the current state of the market, says a banker, Shell probably wouldn't buy, and a company could then face financial disaster.

For Shell itself, LNG in Brunei, is one of the company's great success stories. The Japan delivery scheme represented the biggest project of its kind at the time, involving the largest ever liquefaction plant. The deal with three Japanese utilities has proved to be the "most reliable LNG contract to have worked with Japan," says Mr Everett.

On the future, Mr Everett is more cautious. With the market now weak, he says: "We are aware that the Japanese have over bought gas. But we're their longest suppliers, and we hope we will suffer last. The question will have to be sorted out over the next three or four years."

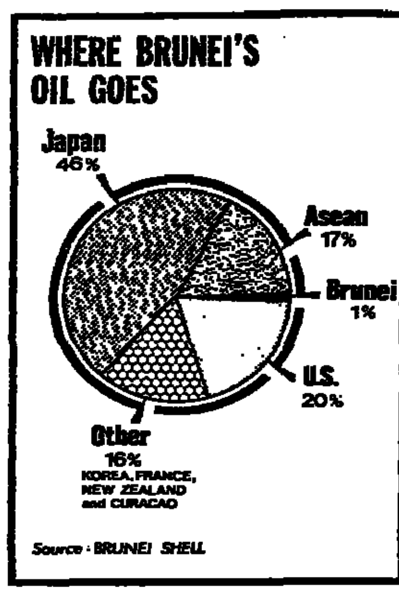
The world recession and the oil and gas glut have also meant that foreign and domestic contractors in Brunei, like their counterparts elsewhere, have begun to feel the pinch as contract prices have fallen.

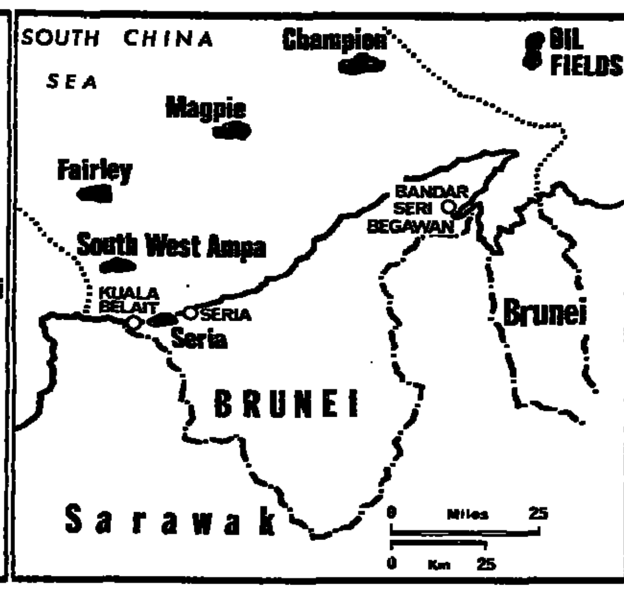
For such key local contractors as Chung Pah Hing, this must be a worry, although the company's construction yard along the Belait river remains a spectacular sight of cranes and of rigs under construction. The company is the biggest local contractor in Brunei.

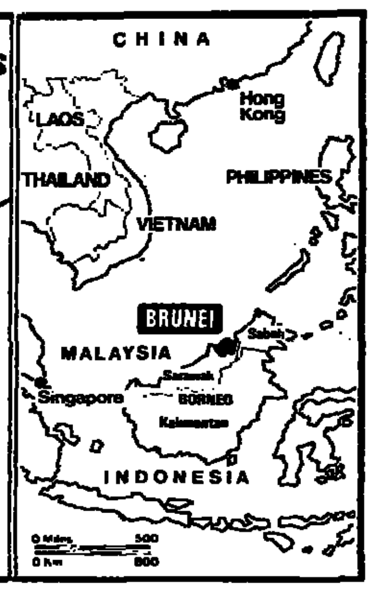
The biggest worry for Shell is the country's labour shortage. The Government wants companies to employ more Bruneian citizens, meaning (in most cases) Malays, as much of the Chinese population are classed as residents. But of the 120,000 citizens in Brunei, half are under 20 and half of the remainder are women, who as Moslems are unlikely to be work-seekers.

On top of this, the Governments wants a greater oil self-reliance and, in the longer term, to prepare for the time when the oil and gas run out. That is why the new refinery has been built—it produces all the products for domestic needs save premium petrol and lubricants—and why Shell is involved in agricultural development projects such as the training centre at Sinaut, which is a joint undertaking with the Government.

In short, oil has meant action and work, investment and profit, for both Brunei and Shell. The two are probably more closely identified with one another than ever before. If nothing else, the relationship represents a remarkable study of a multinational company operating in a developing country.







Brunei's oil production is expected to average 175,000 barrels a day this year, on a par with 1981 and 1982 but well down on the late 1970s

OFFSHORE ACTIVITY AND PROJECTIONS

	1980	1981	1982	1983*	1984*	1985*	1986*
Exploratory wells	4	2	4	3	3	3	4
Development wells	26	24	51	45	40	40	45
Contract rigs	2	2	2	5	5	5	6
Supply vessels	80	87	85	85	87	90	90

* Estimate Source: Bank of America

EUROPEAN MOTOR INDUSTRY

Dutch Volvo: a hard road back to profit

By Walter Ellis in Amsterdam

On the assembly line at Volvo Car

VOLVO CAR is on the move. The Dutch, state-controlled carmaker, once a part of Volvo of Sweden but separate since the summer of 1981, is rapidly becoming one of the success stories of the decade in the Netherlands. After losses of Fl 100m (£22m) in 1980, resulting in near-collapse of the company, a likely small profit this year and planned expansion at least until 1986 are considerable achievements.

The 300 series of medium-priced small cars, built in Born in the depressed southern province of Limburg, is currently the biggest-selling Volvo of all. In 1982, 90,829 of the 300s were sold, in 24 different versions. This year it is confidently forecast that sales will exceed 100,000 for the first time in the company's history. A 25th variant, a sedan, has just been introduced on the market and, most important of all, planning is underway for the development of an entirely new range of medium-sized vehicles for the second half of the 1980s.

But while this remarkable turnaround is a tribute to the enterprise and hard work of Volvo's management and design team and to the understanding of the Limburg workforce, which has struggled through the hard times and back to prosperity, there is one other vital element: state aid.

Volvo Car used to be a part of Van Doorne Automobielfabriek (Daf), which today concentrates on the manufacture of heavy trucks. It was taken over by the Volvo Corporation of Sweden in 1976, and the 300 series — which had already been designed by Daf — was refined to incorporate certain Volvo features and to comply with its exacting standards of safety and reliability. Initially, there was market resistance, but after improvements the car sold well. Costs were high, however, and the restructuring and updating of the Born assembly plant, coupled with the growing effects of the economic recession and soaring development expenditure took the Dutch subsidiary into heavy losses.

After the Fl 100m operating loss of 1980, the situation improved somewhat, albeit partly at the expense of 500 of the 6,000-strong workforce, who were paid off. The loss in 1981 was held to Fl 24m, and last year there was a deficit of only Fl 15m.

The Dutch Government was already involved with Volvo. Indeed, since the time of the Swedish takeover it had held 45 per cent of the equity. In the early spring of 1981, group management from Stockholm got together with government officials from The Hague and hammered out a new package of ownership and aid that was to take Volvo Car into a new phase. Clumsily entitled Volvo Car New Style, the revamped Dutch complex became 70 per cent state-owned, with Volvo Corporation keeping the remaining 30 per cent.

Under the deal, the Dutch state, through the Netherlands Investment Bank, added Fl 250m to the capital of Volvo Car and guaranteed the future of the Born plant. It promised a further financing of Fl 460m between then and the end of 1986. The Swedish part of the bargain was part financial, part commercial. Volvo Corporation agreed to come up with Fl 253m in the five years to 1986, with Fl 95m being made available in the first two years. Further, it was accepted on all sides that there should be a "control station" in 1983—a review of performance, to be followed by the withdrawal or confirmation of cash commitments. The Swedish management said at the time that it estimated the total capital needs of the Dutch operation to be some Fl 1bn to the end of 1986.

The commercial side of the agreement, as far as the Swedes were concerned, was that the new Volvo Car should continue to co-operate closely with Stockholm in terms of product range and "Volvo features" and that there should be a world-wide joint marketing operation. The Dutch were happy to comply. Sales and image were not the problem, and a continuing association with Volvo Corporation was likely to be good for business.

Volvo's desire to shed its major responsibility for the Dutch operation was not, it should be said, entirely due to the problems that had arisen in the Netherlands. It had its own investment programme in Sweden to fund, and the Swedish economy was running into considerable difficulties. The Fl 300m-plus it had already spent in Holland since the 1976 takeover was a drain on its resources.

From the Dutch Government's point of view, it was necessary to establish early that it was not buying a dog of a company. Mr Dries van Agt, the Prime Minister, and Mr Jan Terlouw, his Economics Minister, were already anxious about the extent of state aid being granted in their country. RSV, the giant shipbuilding and engineering group, now defunct, was already on its course towards bankruptcy, taking with it some Fl 2bn of government support. Hoogovens, the steelmaker, was drawing up a costly plan which required an injection of around Fl 1bn, and losses were mounting.

There was, however, one glittering example of how aid could be made to work. Oce-van der Grinten, the photocopier and graphics machinery venture, also based in Limburg, had run into serious problems following its hasty takeover of Ozalid, a UK printing company. It began to lose money and looked unsteady for a while. But a recovery plan, involving a risk-bearing loan of Fl 160m from the state, helped turn the situation around; so that last year earnings of more than Fl 43m were recorded. The lesson seemed to be to give aid primarily to sectors in key growth areas with well drawn up plans for the future.

Volvo, although a small-volume car producer in the age of the auto-Goliaths, appeared such a company. Sales were improving, and the product was much-admired. Exports, moreover, were an important feature of sales. Only about 15 per cent of production was sold in the Netherlands: the rest went abroad, with some 30 per cent bound for the British market. There were plans for a new, mid-size model, approved in principle by Stockholm, and, crucially, the Swedes were anxious to continue as partners with their former subsidiary.

Mr van Agt and Mr Terlouw were not to be disappointed, even if it was their successors, Mr Ruud Lubbers and Mr Gijs van Aardenne, who took their places at this spring's control station. The review of performance since the 1981 switch showed that Volvo Car had done everything that could be expected of it. Production was up, the 300 Series was being constantly improved and there was an excellent chance that results would move into the black. There was even an increase in the workforce, with several hundred former employees coming back in from the cold as production estimates were revised upwards on three separate occasions.

What was needed was confirmation of the second half of the aid package. The Dutch Cabinet and the board of management of Volvo Corporation duly met, and their conclusion was positive. Between January of next year and the end of 1986, Fl 460m will be injected by the state and Fl 158m by Volvo of Sweden. Mr van Aardenne can rarely have parted with money so readily. Parliament was also pleased.

The new model, on which many hopes rest, has yet to be named. While it will not, at least for several years, replace the 300 Series, it is clearly pivotal for the company's continued recovery. The latest 300 Series sedan is at the upper end of the medium-sized segment beyond which responsibility for models rests in Sweden, and the new product, also medium-sized, is bound, after development, to take an increasing share of the assembly lines.

Mr Andre Deleye, president of Volvo Car, was in ebullient mood last month when he announced that the 100,000-mark for production of the 300 Series was well within range this year.

If a net profit is achieved this year and the new model range is developed as fast as expected, the Dutch Government and the Volvo Corporation will have nothing to complain of. In the right place, at the right time, under the right conditions, aid can still lead to results.

CONTRACTS

Foreign Office orders £4.5m Marconi radio

MARCONI COMMUNICATION SYSTEMS, Chelmsford, has a contract for about £4.5m for transmitters for a new short wave station to be operated by the Foreign and Commonwealth Office. The station at Brearley, Warwickshire, will have six 300 kW transmitters of a new design using pulse width modulation. This is said to be exceptionally efficient. Frequency changing is by automatically using frequency-follow techniques and the transmitter can be operated by remote control.

★

CLARKE CONSTRUCTION has won contracts totalling £5.4m for a mixture of housing, educational and industrial projects, including 101 homes at Chellaston, Derby, for the Guinness Trust (£1.96m); 65 homes for the North British Housing Association (£1.5m); 28 homes for Sandwell MBC at Smethwick (£472,000); an art and design block at the King Edward IV School, Birmingham (£429,000); extensions to Paget Comprehensive School, Burton on Trent (£403,000); industrial units at Summerhill, Birmingham, for sister company, Clarke St Modwen Properties (£195,000); and another scheme for a group company—36 flats in Moseley, Birmingham (£580,000) for Clarke Homes.

★

JOHN FINLAN has won a contract for the total development of 18 small industrial units of about 1,000 sq ft each at Feltham, Middlesex. The development and the freehold, which John Finlan has purchased, will bring the completed value to £1.3m. Work has started and units will be offered for leasing in spring 1984.

★

A contract, valued at over £2.6m, for the construction of Phase 1 of a development at Gatwick Road, Crawley has been awarded to GEOFFREY OSBOURNE by the joint developers Estates Property Investment Company (EPIC) and Royal Life. Work, due for completion early in 1984, covers construction of 140,000 sq ft of pre-let factory accommodation with ancillary offices, together with all associated roads and services. This will shortly be followed by Phase 2, which will comprise over 150,000 sq ft of offices and factory accommodation, which will be available to let. The completed investment will be worth over £15m.

★

WOODFIELD SYSTEMS, a subsidiary of Mercantoil, has been awarded a contract totalling $345,000 (£163,300) by Fluor Inc. of California, as part of the initial phase of a tanker loading facility to be installed for Atlantic Richfield at Dubai in the Persian Gulf.

★

FERRANTI has a further contract, thought to be worth about £1.5m, from Italcantieri Spa to supply two sets of one-man/automatic depth and course control equipment. Developed by the naval department of Ferranti Instrumentation, the systems will be installed on board the Italian Navy's fifth and sixth Sauro class submarines.

★

BICKNELL HOLDINGS, Bristol, starts work in October on a 12 months scheme in Purley Way, Croydon, which includes provision of five warehouse units totalling 35,000 sq ft with all the usual offices and attendant facilities. Negotiations have been finalised covering the sale of the completed project to Barclays Bank Pension Fund and the overall sum involved is over £2m. Bicknell Holdings building subsidiaries, have obtained a further £3m worth of construction work, mainly in the Bristol area.

★

JAMES GIBBONS WINDOWS has won refurbishment contracts worth £2m for two office blocks in the City of Westminster. The contracts, in Page Street and John Islip Street, are due for completion next year. Abel House and Cleland House will be transformed by new windows and curtain walling which will echo the original curved-brick facades of the 1930s. To release extra internal space, services are being run outside the buildings, concealed in triangular ducts formed from cladding panels. Main contractors are John Laing Construction for Abel House and Wimpey Construction UK for Cleland House.

A MAJOR ADVANCE IN PERSONAL FINANCIAL MANAGEMENT

FlexAccount with a Midland Bank Access card, introduced by Nationwide Building Society earlier this year, has already made considerable advances in the services it offers account holders. Here is a progress report.

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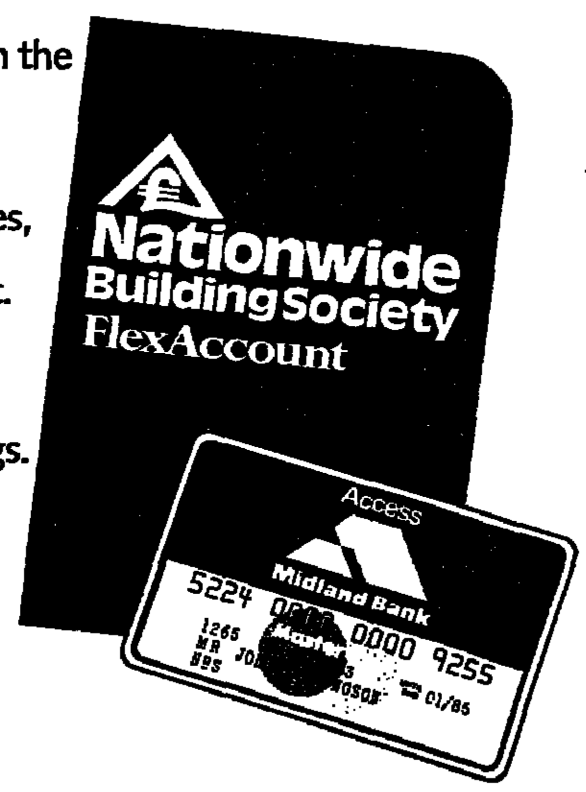

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State postpones spending cut plans

By John Hunt

ANY FINAL decisions on the Government's proposed cuts in next year's public expenditure plans are being put off until well after next week's Tory Party conference to avoid trouble with Conservative rank and file.

Although the Treasury's attempt to reduce the proposals from spending departments have met with stiff resistance from Ministers, it was being claimed in Whitehall that "good progress" was being made.

As a result, the possible overspending of £2.5bn – the sum which the Government wants cut – has now been reduced. Nevertheless, it is not denied that the Treasury is still a long way from getting the overall reduction which would enable it to keep the planned expenditure total to £126.4bn.

Disclosures about the difficulty which the Government is encountering in making the cuts come at an embarrassing time on the eve of the party conference in Blackpool. The Cabinet and officials at Conservative Central Office are worried that any leaks about the cuts could provoke trouble from the rank and file.

Brian Groom reports on the reaction to the Vauxhall dispute

Employers fear 'knock-on' effect

THE FOUR-DAY strike by Vauxhall Motors' 14,500 hourly-paid employees crumbled yesterday when workers at the Luton and Dunstable plants in Bedfordshire voted to accept the company's 7.75 per cent pay offer and return to work. Shop stewards at the third plant of the UK subsidiary of General Motors, Ellesmere Port, virtually conceded defeat last night. They are likely to recommend a return to work at meetings of the Cheshire plant's 3,800 workers today. Pickets were lifted at the Ellesmere Port factory gates and at Hartlepool docks, where 60 Transport and General Workers Union members were trying to stop the import of Vauxhall/Opel cars.

VAUXHALL'S dispute over a 7.75 per cent pay offer at the start of the autumn bargaining season – one of the highest so far and well ahead of inflation – has provoked three reactions among other employers. There has been:

- Alarm about the possible knock-on effect in motor companies and other closely related sectors of engineering.
- Relief among a wider range of employers that the days of a "going rate" which could be pushed up by the Vauxhall workers are gone.
- A deeper anxiety that companies which, like Vauxhall, are starting to recover will be forced to give away their first fruits at the outset by a resurgence of union bargaining strength.

Ford, where unions have lodged a 15–16 per cent claim, will feel the most immediate effects. As always, it will insist that its offer is independent of anyone else's but Ford is widely expected to have to match the Vauxhall deal to avoid trouble.

Talbot, where output and profits have picked up, may come under union pressure for a high settlement after a series of low ones. Even at BL, workers may be unhappy about the 5.6 per cent rise due from November 1, under last year's two-year deal, if they feel it has been outstripped elsewhere.

Small engineering companies are worried about the knock-on effect from Vauxhall. Beyond that, the impact of the dispute is unlikely to spill over very far, although the television exposure will encourage some workers to think that high wage increases are possible.

Compared with the "going rate" mentality of the mid-1970s, there is now a spread of pay settlements throughout the industry reflecting circumstances of individual employers.

Researchers at the pay monitor magazine Incomes Data Report expect the spread to widen this winter as companies which are recovering pull away from those still in the doldrums.

A spread of 2.5 to 8.5 per cent or even higher is possible, they say. This compares with a 4.5 to 7.5 per cent range in recent months. These variations are visible even in the motor industry: while Vauxhall has been having difficulty settling at 7.75 per cent, the depressed Leyland Vehicles has reached a 2.5 per cent deal.

At the top end, Incomes Data will shortly report on several small companies in other industries at or above the Vauxhall level, including one over 10 per cent.

The Confederation of British Industry, the employers' body, hopes to push the level of settlements down this winter, although senior industrialists privately concede that this will do no more than shave a percentage point or so from the recent 5.5 per cent average of manufacturing settlements shown by the CBI Databank.

The Government will try to stick to its 3 per cent pay factor in the public services, but some settlements are beyond its control. The police's earnings indexed formula has given them an 8.4 per cent rise from September 1 – higher than Vauxhall – and firemen will be expecting around 7 per cent from their own formula in November.

Incomes Data is sceptical about the prospects for falling settlements. It sees the picture remaining stable until the year-end, with rising inflation coming into the picture in January – along with some difficult domestic issues such as harmonisation of conditions between manual workers and staff.

Stockbrokers Phillips and Drew, in their latest Market Review, foresee pay settlements in 1983–84 remaining in aggregate much the same as in 1982–83 at 5.5–6.5 per cent.

However, several companies at the regional pay conferences being held by the CBI say they expect to settle lower than last year. They accept the argument that lower basic rate settlements will leave them some room to pay for productivity improvements.

The most pressing worry for the CBI, as expressed last week by Sir Terence Beckett, its secretary general, is the precedent set by Vauxhall: will all companies which start to recover have to give their first gains away in pay rises? This would put new investment in jeopardy.

Booming sales fuelled the Vauxhall pay strike. But the company is not even back in profit overall. Its cars business will make a small surplus, but this will be more than wiped out by the losses of the depressed Bedford trucks business.

Unions hope to purchase theatre

By John Lloyd, Industrial Editor

A GROUP of prominent trade unions are set to bid for the Mermaid Theatre in the City of London for use as a theatre, arts and conference complex.

The unions, whose bid is led by Mr Ray Buckton, leader of the train drivers' union Aslef and this year's chairman of the Trades Union Congress, are keen to secure the theatre both as a cultural centre for the movement and as a profit-making venture.

The charitable trust which controls the Mermaid on a 99-year lease from the City of London has been forced to sell because of heavy losses in the past.

However, the unions believe that more efficient management and development of conference and other facilities at the theatre – on a prime site near Blackfriars Station and the river Thames – could turn round the financial position.

The leading union in the consortium is the General Municipal and Boilermakers Union. Others, including the Transport and General Workers Union, the National and Local Government Officers.

LABOUR PARTY CONFERENCE

Kinnock faces test of new party unity in defence debate

BY PETER RIDDELL, POLITICAL EDITOR

MR NEIL KINNOCK, Labour's new leader, and his allies are now in a position to take the initiative in changing the party's direction. This is despite losses by the centre-right in yesterday's elections for the national executive committee at the annual conference in Brighton.

The new leadership under Mr Kinnock should have a majority on the committee of roughly two to one for proposals to shake up the party organisation and to shift emphasis away from policy-making towards promotion and campaigning.

The new spirit of unity will, however, be tested in today's debates on defence policy.

The resolution calling on the next Labour government to scrap all nuclear weapons unconditionally is sponsored by the left-led Transport and General Workers Union and has been supported by the party's national executive.

Mr Kinnock wanted to remit the resolution for further consideration but failed in his attempt.

Last night, Mr Peter Shore, the Shadow Chancellor of the Exchequer, said Labour must fundamentally reconsider its defence policy.

He gave a warning of the difficulties that would arise if today's debate approved the resolution calling for the unconditional scrapping of nuclear weapons.

Mr Shore said the fundamental review should start with the facts and aim at achieving a policy that was not only better based on common sense but merited the good opinion of Labour's friends at home and abroad.

He emphasised: "I am quite clear in my mind that we have to be multilateralist – but that does not rule out taking unilateralist initiatives."

Mr Neil Kinnock

Mr Shore repeated that he opposed Britain's acquiring the Trident weapons system as a successor to the Polaris submarine force and said he would also oppose the siting of U.S. cruise missiles unless they were placed under the British Government's control.

He urged the conference not to pass resolutions about particular weapons systems and underlined the importance of remaining in Nato.

In the national executive election, there were nine new members.

It remains to be seen which of them will vote consistently with the far left and which will support the centre-left course steered by Mr Kinnock.

One senior right-wing member of the committee commented: "It means that Neil can now get anything he really sets his mind on and we cannot. As that was the case before, nothing fundamental is changed."

Foot speaks of his 'shame'

- **MR MICHAEL FOOT**, the retiring leader, admitted that he was "deeply ashamed" at having led Labour to a heavy defeat by the Thatcher Government which had inflicted such hardship on the British people, but warned the party not to abandon the 1983 election manifesto.

- **DELEGATES** approved initial moves towards reshaping Labour's housing policy. Mr Frank Allaun, retiring member of the national executive committee, acknowledged the contribution made to the party's general election defeat by its opposition to council-house sales. His preferred solution would impose a duty on councils to replace every council house sold.

- **CONFERENCE** approved a resolution calling for pensions of half average gross earnings for married couples, retirement for all at 60, and a package of other benefits for pensioners. These included nationwide free fares, exemption from standing fuel charges and free television licences.

- **LOCAL GOVERNMENT** reforms proposed by the Government would be reversed if Labour were returned to power at the next general election, conference was told.

  Mr Eric Heffer told delegates on behalf of the national executive committee that the proposed legislation to curb rates (local property taxes) would be repealed. Labour councillors fined or surcharged for refusing to implement spending cuts would be indemnified.

- **THE RAILWAY** system was heading for collapse because of the Government's reluctance to supply capital investment and British Rail's willingness to make savings, rail union leaders told the conference.

  Mr Jimmy Knapp, general secretary of the National Union of Railwaymen, and Mr Ray Buckton, leader of Aslef, the drivers' union, called for a fight back by Labour and the unions to save public transport.

- **THE GOVERNMENT** was accused of preparing to break up the National Health Service in order to sell profitable parts to private industry. Mrs Gwyneth Dunwoody, Labour's parliamentary spokesman on health, said the Conservatives saw the health service as "a golden goose that Mrs Thatcher's friends cannot wait to get their hands on."

NatWest opens branch staffed by robots

BY ALAN CANE

BRITAIN'S first bank branch staffed entirely by robots has come into operation.

National Westminster Bank customers are now able to draw cash, check their accounts and deposit cheques and currency in a section of a bank branch in Basingstoke, Hampshire, without staff. All the automated banking equipment is operated by the customers.

The branch is divided into a conventional rear section and the robot banking section. The robot section, which is open for about 1½ hours a day longer than normal banking hours, contains two of NatWest's new high-speed cash tills which deliver money in 15 seconds.

There are also two screened booths containing a television screen and a keyboard.

Customers use a conventional service card (which also operates the automated cash machines outside banks, or a Case Wise card used with NatWest's new interest-bearing current account.

Using the keyboard and the screen, customers can obtain information about their accounts. The last 20 items can be checked and inquiries made about specific entries. It would be possible, for example, to see whether a particular cheque had been cashed.

There is also a simple quick deposit box and a sophisticated day safe which traders can use to deposit cash and cheques.

At the press of a key, customers can have a printed record of their account or of their transactions.

Most of the UK clearers are experimenting with automated bank branches. But the NatWest development with its sophisticated inquiry system, built by Burroughs Machines of the U.S., is the most advanced yet.

Big expansion for Cellophane

By Arthur Sandles

BRITISH CELLOPHANE, a Courtaulds subsidiary, is to spend £22m expanding its polypropylene film plant at Swindon, Wiltshire. The move will more than double production of the clear film widely used in packaging foods and consumer products.

The expansion will provide appreciable extra employment in the construction stage but only a few more permanent jobs are likely to result.

The investment is said to be timed to enable the company to play a big part in Europe's rapid growth.

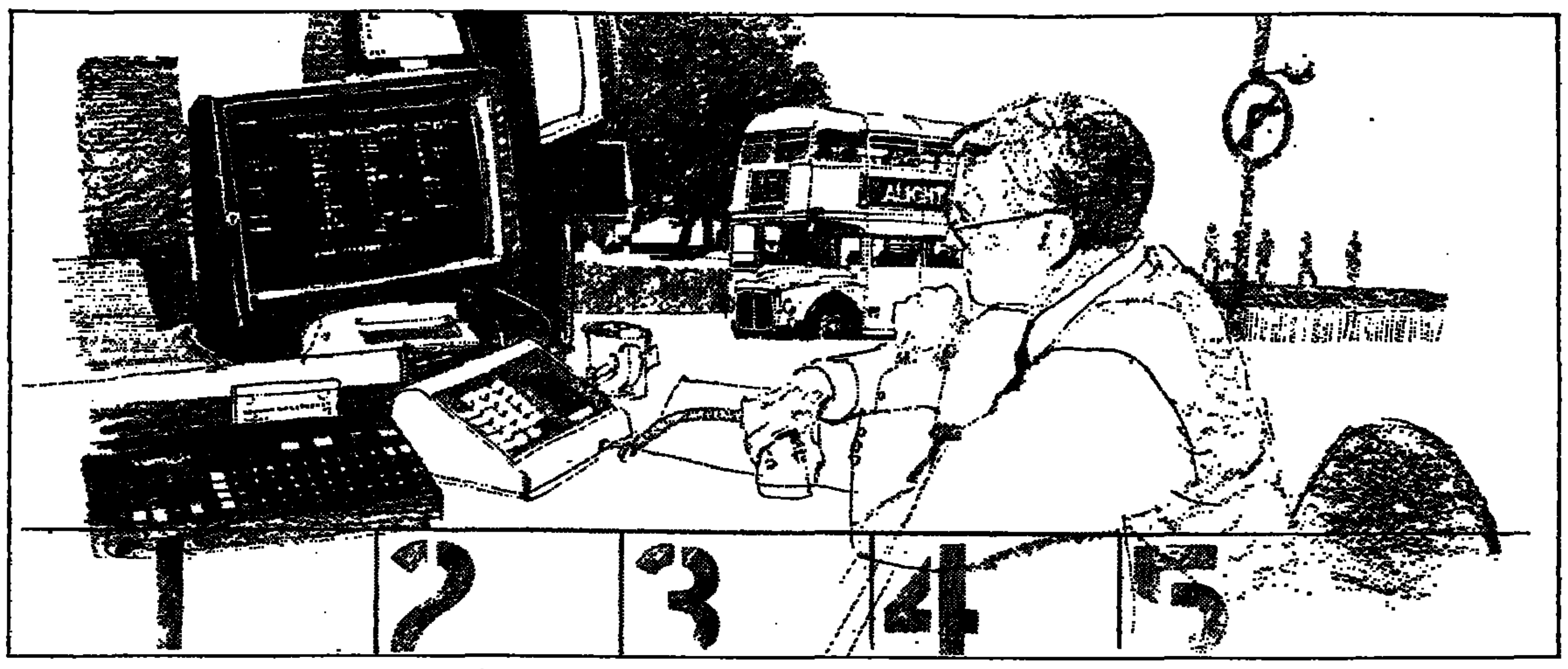
Union protests at airport jobs

By Ivo Dawnay

THE Transport and General Workers' Union will ask members today to refuse to transport building materials, equipment and personnel destined for the Falkland Islands' £215m airport project.

The union is protesting at the terms offered to construction workers competing for the jobs.

Details of contracts offered have not been released, but they are understood to include tax-free salaries of between £10,000 and £12,000, a termination bonus, 36 days annual holiday and food and accommodation. In return, the men would work 60-hour, six-day weeks



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UK NEWS

Parkinson warns on aid for industry

By Lorne Barling

A STRONG indication that Government support for many industry advice and aid schemes now operating may not last for long was given yesterday by Mr Cecil Parkinson, Trade and Industry Secretary.

Mr Parkinson said he hoped the Government could "eventually get out of the business" of industrial aid in this form.

Mr Parkinson, the Conservative Party's former chairman who was appointed to his present post after the last general election when the Trade and Industry Departments were combined, asked: "Why is the Government having to mount campaigns offering free consultation time on new technology for industry?"

He was suggesting that industry ought to be paying for the work itself.

"The case should argue itself," he said. "People should know the value of such consultation, but it hasn't been happening."

Mr Parkinson was speaking on industrial design at the Design for Profit conference in the National Exhibition Centre near Birmingham. The conference is sponsored by the Department of Industry and the Design Council.

Mr Parkinson said every effort was being made by the Government to adjust the taxation system to encourage the design and development of new products, but that more effort ought to be made by companies themselves.

"We have some of the world's best designers in Britain, and our foreign competitors are using them to produce products which compete against us in world markets," he said.

He urged British companies to put more resources into manufacturing better products, in which good design was vital for their success.

"We cannot all put our future in the sunrise industries – we can't all produce computer software," he said.

Mr Parkinson added that there was no need for the Government to stimulate more demand in the UK market when there was such an opportunity for British companies to reduce imports with more competitive products.

Sir Terence Beckett, director general of the Confederation of British Industry, said his experience at Ford, when he was concerned with design, had shown that good design need not be radical, as the Ford Cortina's incremental improvements had shown

"If you want a competitive edge, then your product must be different and better. Imagination and good judgment is vital."

Offshore supplies industry 'needs more state backing'

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT has been urged to give greater backing to the UK offshore supplies industry as it bids to win orders for oil-related goods and services in the North Sea and overseas.

A report published today by Sussex University's Science Policy Research Unit says that UK companies have been comparatively unsuccessful in seizing the opportunities afforded by the discovery of North Sea oil and gas. "Few have obtained a strong position in international markets," it says.

Latest government figures show that last year UK interests secured 73 per cent of the total value of orders – £2.26bn – placed for goods and services by developers of oil and gas fields on the UK continental shelf. However, within the industry it is known that many of these UK interests are only local affiliates of international companies, especially U.S. contractors.

The Sussex University report points out that Norwegian and French supply companies have been helped by the "nationalistic" policies of their governments to a much greater extent than in the UK. However, the policy unit does not advocate the adoption of "drastic" nationalistic policies in the UK.

"Even if radical and nationalistic policies would have succeeded in the early years – and this is very doubtful in view of the problems of the relevant sectors of British industry – they would not now be effective in helping to develop a significant position in the increasingly international market," conclude the report's authors, Dr Lesley Cook and Mr John Surrey.

Even so, there were still real opportunities for competent companies to grow and develop and for new companies to find niches in the international industry. Greater government assistance was needed to help:

- The "infant industry" which was likely to compete successfully if it could reach maturity.
- Companies which might be able to learn to run fast in a rapidly changing industry.
- Companies which seemed good enough to compete on level terms with foreign companies but were unable to do so without comparable government assistance.

Government Policy for the Offshore Supplies Industry: Britain compared with Norway and France. Science Policy Research Unit Paper No. 21, Sussex University, Falmer, Brighton, East Sussex BN1 9RF; £15.

Pirelli expands into 'one-stop' shopping

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

PIRELLI'S British subsidiary has expanded its tyre retailing operations by buying T and H Tyre Service, which has 33 outlets.

The move marks the start of a more aggressive approach by the Italian group in the UK and takes it into the "one-stop shopping" style of retailing, where one outlet sells shock absorbers and exhaust systems as well as replacement tyres.

Pirelli has tyre manufacturing facilities at Burton-on-Trent, Staffordshire, and Carlisle as well as a retailing business, Central Tyre, which has about 120 outlets.

"We are intent on developing our total spread of interests in distribution and retailing," Pirelli said yesterday. Further acquisitions are likely. T and H, set up 19 years ago, is based at Luton in Bedfordshire.

- Bosal, the Belgian group, will become one of the top three producers of car exhaust systems in Britain after buying Automotive Products' silencer manufacturing plant at Ince in Makerfield in Lancashire.

Bosal set up its own production facility in the UK – at the central Lancashire development site near Preston – in 1979

Sizewell fuel price estimates challenged

BY MAURICE SAMUELSON

A LEADING international energy analyst has challenged the estimates of future oil and coal prices which the Central Electricity Generating Board (CEGB) is using to back its application to build Britain's first pressurised water reactor at Sizewell, Suffolk.

Professor Peter Odell, British-born director of the Rotterdam Centre for International Energy Studies, gave his views as part of the evidence to the Sizewell inquiry presented by the Town and Country Planning Association.

Professor Odell said the CEGB had completely misunderstood the evolution of the international oil market and had forecast ranges of prices for the medium-term and longer-term future which were far beyond the bounds of reasonable possibility.

The CEGB had assumed oil would become scarcer, but Professor Odell said oil prices could collapse. He claimed that, given a continued slow growth in oil demand, real oil prices even in the year 2050 would not have reached the 1981–82 peak levels. The CEGB, in contrast, was claiming the real price of oil would have almost tripled by that time.

Another expert, Mr Colin Sweet, director of the South Bank Polytechnic's Centre for Energy Studies, claims that recoverable world reserves of uranium, intended to replace fossil fuels, are themselves severely limited and would last for only 30 years if used in thermal nuclear reactors like the one envisaged at Sizewell.

He also doubts whether the CEGB will develop the next generation of fast-breeder reactors, which use far less uranium.

CEGB forecasts on the price of coal are challenged by Mr Ronald Steenblik, Professor Odell's colleague at Rotterdam.

He claims the CEGB failed to take account of the high potential for steam coal production at $40 or less (in 1982) available at the producers' port.

New plant for 140mph Capri

BY OUR MOTOR INDUSTRY CORRESPONDENT

ASTON MARTIN TICKFORD (AMT), the specialist car engineering, styling and coachbuilding concern formed two years ago, has opened another production centre – at Bedworth, near Coventry.

The plant will produce a 140mph "supercar" called the Tickford Capri, as well as doing some work on a new Jaguar car being revealed next week.

AMT says the Bedworth project will create 40 new jobs this year. It already employs about 75 people at three factories and an engineering base in Buckinghamshire.

AMT claims the turbocharged Tickford Capri is one of the world's fastest cars with acceleration to 60mph in six seconds and a top speed above 140mph. The basic price is £14,985, including all taxes.

Merseyside economy flat

By Ian Hamilton Fazey

THERE IS no sign of any economic upturn in the Merseyside economy, according to the latest quarterly survey, published yesterday, by the region's Chamber of Commerce and Industry.

The chamber's region stretches well beyond the Merseyside boundary into the Liverpool hinterland and includes Warrington, Chester and North Wales.

The survey found home deliveries static or dropping, more companies working at between 60 and 80 per cent of capacity, stock levels static or dropping with no plans for restocking in sight, liquidity worsening, little investment in construction likely, and further job losses imminent.

The chamber said that lower interest rates and the fall in the true exchange rate of the pound are the main factors needed to change the flat economic outlook.

THE ARTS

Werther/Covent Garden

David Murray

The Royal Opera revival of Massenet's *Werther* on Monday was a glum affair, despite the infusion of new singers and a new conductor. Yvonne Minton's Charlotte looked beautiful, wore her costumes with dignity, otherwise did next to nothing; as Werther, Giacomo Aragall looked terribly depressed, and scarcely raised his eyes from the floor throughout the performance. The pair seemed not even to be on nodding terms for the first two acts (their deeply obscure French rendered their exchanges impenetrable)—some stirrings of passion in Act 3 arose from nowhere, and much, much too late.

Steven Pimlott, who rehearsed John Copley's old production, had evidently been unable to give them any help. Vocal struggles may have pre-empted any serious work on the drama: though there were phrases in which Miss Minton's golden mezzo shone, her pitch threatened to go adrift often enough to cause real discomfort, and Aragall seems not to have the essential half-voice in his range. Between a lusty tenor clang and a colourless *piano*, there was nothing. Since most of the substance of the opera comes in quiet, subtly suggestive conversations, the performance was gravely disabled.

Yvonne Kenny (left) and Yvonne Minton

Yvonne Kenny's intermittent appearances as Sophie came like manna. Brightly graceful and easy, she contrived also never to suggest a soubrette coming on to do her turn—a risk that is built into the part, but was evaded here with naturalness and artistry. Jonathan Summers repeated his fine, honest Albert, Charlotte's decent dull stick of a husband. In the role of her father Le Bailli, Stafford Dean had a suitable weight but a slightly plummy vocal address, not quite idiomatic for this opera.

The smaller parts were all right, and the gauzy, old-fashioned Lizaridis sets have some pretty features—though also some oddities that draw attention to themselves: *Werther* is a piece in which we should be able to take the settings for granted. In the pit, Jacques Delacote demonstrated a thorough knowledge of the score, but over-insistently. Unless Massenet's ideas are allowed to flow with a kind of magical smoothness, some commercial crudities are bound to surface when they are least wanted, and they did. With such numb proceedings on stage, however, Delacote may be pardoned for trying to inject some dramatic vitality from outside.

Why did this performance happen? It is obvious that without the closest expressive rapport between the principals, *Werther* must founder; it is not an opera in which star singers can be wheeled on interchangeably to make a success with leather-lunged solos (as in fact Aragall helped to do at short notice in a recent *Tosca*, though he looked just as depressed then). Miss Minton may yet make a clovely Charlotte, but it will need to be far more thoughtfully prepared.

The Hard Shoulder/Aldwych

Michael Coveney

Stephen Fagan's new comedy might have seemed a touch parochial a year ago in the Hampstead Theatre, but it survives a transfer to a large West End house with considerable success. It is neat, it is funny, it is about the rich middle-class Volvo-driving generation carving up the London squares just before they become fashionable. From a narrow base it builds to a reverberative comment on our times.

The curtain rises on a North London skyline and, reassuring sight, here comes Stephen Moore with a big soppy grin on his face. Mr Moore is one of our most accomplished light comedians, and he seizes upon his role of Toby, a sort of contemporary Lophakin, with fine relish. Toby's a wine merchant working the property market. He stands astride three houses he wishes to convert to "desirable apartments" in the face of an encroaching motorway scheme.

This is the point: he objects to the scheme because it will stop him making money, not because it will pollute the environment or destroy the community.

The little party enjoying the views of the Post Office Tower while awaiting the result of a local council election includes Toby's wife Jo (Liza Goddard), an architect (Peter Blythe) and a builder (Glyn Owen) who is a moonlighting fireman. This latter double role proves thriftily crucial once the cancellation of the motorway by the victorious council has been over-ruled by the Secretary of State.

Tanya McCallin's rooftops rise in the middle like Tower Bridge to reveal the stripped interior. We are somewhere Holloway-ish, off the Roman Way, near the prison (though nobody mentions that). Toby and Jo, of course, actually live in Hampstead and Berkshire. With the property, Toby inherits a squatter, beautifully played by Philip Bird, who is treated by turns as an overgrown schoolboy, a layabout and potential ally. He has just landed a job building the motorway.

Such little frissons are released with a well-timed assurance by Mr Fagan and his cast under Nancy Meckler's admirable direction.

Mr Moore detonates his silken, accommodating manner with some splendidly full-throated yells. He is instantly recognisable as a man of our day, someone who deserves nothing of what he will undoubtedly get. After the fire (a neat twist lets them all off the hook), there is the insurance to collect and new plans to consider. Miss Goddard sits tight, uncertain whether to follow. The evening thus ends on an aptly mild semi-colon.

Abbey Simon/Elizabeth Hall

David Murray

Mr Simon's recital on Sunday afternoon had an authentic virtuoso glitter. Last time I heard him he was in indiffeneat form, or perhaps just in an indifferent mood; this was a much more vital affair, and a pleasure to relish. His manual style is much like Jorge Bolet's, which is to say the style of a polished prestidigitator: the hand levered on one finger while another snakes out to pounce neatly on the next note, all eerily smooth. Really professional multipliers of billiard balls look like that.

In the line of sheer pianism, Liszt's Studies after Paganini were the main exhibit. Comparison with Cécile Ousset's performance ten days ago was fascinating (though she didn't play the entire set). If Simon doesn't boast the awesome Ousset power and drive, nor her full-blooded clarity, he proved her equal in imagination and in brilliant fleetness. All the Studies teased and glinted, witty hesitations balanced against sudden silvery cascades.

Simon's Chopin had plenty of cultivated breadth, rather less depth. By the highest standards, the *presto* finger-work in the Scherzo and Finale was a trifle hazy. It is interesting to hear the Trio taken—convincingly—at virtually the same speed as its surrounding Scherzo: the Finale, beautifully played, somehow failed to collect a crowning impetus. The Allegro maestoso and the Largo were honest and graceful.

Before that came the *Variations sérieuses* of Mendelssohn, investigated very delicately with more Romantic bending and swaying than is right for their period—even the theme itself had a pregnant comma at the end of every bar. The variations seemed less a coherent edifice than a series of pretty inventions. Bach-Busoni had begun the recital: the BWV 564 Toccata, Adagio and Fugue for organ, subjected to the Busoni treatment with some uniquely ugly block chords in the first part.

Television/Chris Dunkley

The threat from the skies

When hundreds of broadcasters gather for a programme festival, as in Capri during the past fortnight at the 35th session of the Prix Italia, it is usually impossible to distinguish any single attitude or feeling among them. They come, after all, from a huge diversity of countries, cultures, and broadcasting systems representing all shades of philosophy from brutal state totalitarianism to cut-throat commercial competition. And yet, as the days and the programmes went by in the Certosa San Giacomo, and the weather worsened with the day-trippers thinning down to a bedraggled trickle, it became more and more clear that — perhaps for the first time in the history of the business — broadcasters around the world have found a common cause, or at any rate a deep, shared anxiety.

Their fear is that public-service broadcasting is about to come to an end. They see the scarcity of the age of the wavelength with its concomitant rationing, regulation and "quality" being replaced by a glut of rubbish brought by the new technologies: cable, satellite, and videocassettes. Once it is possible for each viewer to choose a unique programme diet in his own home, selecting specialised cable services tier by tier, or even paying for programmes one at a time from direct-broadcast satellites (DBS) or on hired cassettes, what earthly reason is there for the Government to go on licensing privileged "broadcasting" organisations to exploit off-air wavelengths?

The Communist countries naturally want to retain such controls because they are fundamental to state centralisation, and Communist authorties are known to be worried by the "open skies" policies of the satellite freebooters and are widely believed to be working on ways to jam satellite transmissions to prevent their own citizens secretly pulling the signals down to little dishes on their roofs. But in the free enterprise countries the broadcasters note fearfully signs which they believe show that the marginalisation of public service broadcasting has already begun.

Nor is this solely the result of the new technologies; something which might be called "Channel 4 Syndrome" is also playing a part. This is the increasing tendency for relatively small independent producers to be encouraged in free enterprise countries, not only because such pluralism is considered ideologically desirable but because nowadays small independents often seem able to deliver programmes more economically than the public service giants.

Scene from "The Age of Iron": Finland's successful entry for the Prix Italia

The four-word question used as a title for this year's "Circom"—an international programme discussion operating in parallel with the Prix Italia screenings for the last few years—bleakly encapsulated the broadcasters' fears about these trends: "Nothing But The News?" it asked gloomily.

It was prompted by events in Canada where a government advisory committee recently recommended: "With the exception of news operations the Canadian Broadcasting Corporation should relinquish all television production activities and facilities in favour of acquiring its television programme materials from independent producers."

Such straws in the international wind (even the Canadian plan is only a recommendation so far) are causing what looks surprisingly like panic among those in the older public service systems whose organisations are biggest and have the furthest to fall. Thus Aubrey Singer, managing director of BBC Television, was reduced to assuring Circom that in fighting off "the threat from the skies" public service broadcasters could point to several things they did better than the independents: news, something which he would have to call "culture," and children's programmes. This was delivered in Mr Singer's usual ebullient tones yet coming from the managing director of the biggest television production body in the world it seemed both pathetic and, at the very least, premature in its pessimistic minimalism.

The BBC is an immensely powerful and rich organisation, remarkably successful at self perpetuation and growth. It was first in Britain to go into breakfast television and first to lay hands on satellite channels. If it is really suggested now that cable operators with movies, sport, pop music and perhaps local news can destroy the BBC at one fell swoop, what does that say about the value to the public of the much boasted "quality" and the supposed competitiveness of BBC programmes?

Does the BBC really deserve to exist if its only claim to survival is that it can make very high quality programmes for relatively tiny numbers of viewers, so long as it is supported by a poll tax of several hundreds of million of pounds per annum and given monopoly use of two of the country's scarce wavelengths?

The other fear expressed by broadcasting intellectuals at gatherings such as this (one which has been around much longer yet is closely associated with the anxiety about the decline of public service) is that the new technologies plus the pressures produced by economies of scale in the gargantuan business of television will drive inexorably towards global homogeneity in broadcasting.

Ironically they themselves are of course only to keen to encourage a bit of this homogeneity since they are forever looking for international co-producers to help finance their own operas, ballets and drama series which, increasingly, then have to be made to appeal across national boundaries. That, however, is tacitly accepted as A Good Thing. When the same phenomenon occurs among less highbrow programmes it is regarded as A Bad Thing and labelled "American cultural imperialism" even though the Americans make no concessions to "internationalism" and rely solely on the universal appeal of their material. It is really just the old tussle between Reithianism and ratings in a new international form.

However, the programmes actually on show in the Prix Italia viewing rooms did not substantiate these fears. Admittedly the Danes entered a documentary about arms shipments to South Africa, *Operation Armscor* which was stylistically so like our own *World In Action* as to be uncanny, but then *WIA* has spent 20 years developing a superb current affairs style and grammar and it makes good sense to emulate it.

Much more noticeable in both style and content is the way that so many programmes, far from being "international" seem almost like parodies of the supposed national characteristics of their originators. Thus France's winning documentary was about sex *(Transexuals, My Body, Myself)* and Finland's winning drama—described here last week—was a Scandivanian saga adapted from the ancient runes, full of fire and ice, misty lakes, elk hunting, and pillage.

For Britain the most remarkable aspect of this year's festival was the failure to win any of the three top television prizes (though the BBC did win the radio documentary category with Piers Plowright's *Nobody Stays In This House Long*). This is a very rare occurrence, Britain being the Prix Italia's most successful television contestant by far. Yet one could hardly argue with the jury's failure to select British winners except in the drama category: I would have given the prize to the subtle, poignant and beautifully photographed BBC/RTE co-production *Ballroom Of Romance*, whereas the jury placed this second out of the 20 entries.

The only British documentary entry, *Alice, a Fight for Life*, from ITV, was a worthy enough campaigning account of the dangers of white asbestos, but it would have gained enormously from being cut by about half from 85 minutes to 45, to reduce its repetitions and near-obsessive eclecticism. Good journalism is more often marked by selection than exhaustion.

Opera on the American West Coast

The Fall Season of the San Francisco Opera began in a burst of unscheduled excitement—Carlo Cossutta, Othello, fell ill on opening night, and Placido Domingo, busy rehearsing *Les Troyens* in New York, agreed to be ferried across the continent, by private jet and helicopter, to help out. (Though the performance started three hours late, patrons in this opera-mad city kept firmly in their seats, to wait for what was by all accounts the performance of Domingo's life.) Then things settled down to normal, with a new production of *Ariadne auf Naxos* and a revival of *Katya Kabanova*; both, however, were performances of quite uncommon distinction.

Anja Silja has been a reasonably regular San Francisco artist for a decade and a half. As Janacek's Katya she added another milestone to the succession of 20th century heroines already formed here—Salome, Lulu, Elina Makropulos and Katerina Izmaylova. Without having experienced those it is impossible to know whether the latest must be counted the finest achievement of all; certainly, it was the most moving and powerful assumption of the great role that I have encountered.

Silja opened out a new dimension. With her tall, blond, bony beauty, at once peasant, waif, and princess, and her air of innocence in which unworldliness and strageness are so distinctively combined, she was set apart from the Kabanovs and all of small-town morality more sharply than I have ever known—set apart by an ungovernable naturalness carrying the seeds of its own destruction. Silja is incapable of making what seems like a premeditated gesture or movement on stage; she is singing far better than when, more than a decade ago, she was Covent Garden's Leonore and Cassandra, for though squalls can still invade high phrases, there is now concern for line in her singing, and the tone at its best is as unforced and candid as the personality.

Around this sublime Katya San Francisco had prepared a worthy frame. The sets—by Gunther Schneider-Siemssen, rural back-projections and catwalks (a bit disconcerting, to begin with)—belonged to Rennert's 1977 production. Gerald Freedman, taking over, though unable to infuse André Jobin's Boris with anything like physical conviction, made in the main good use of a strong cast—Michael Devlin (Dikoy), Emile Belcourt (Tikhon), Evelyn Lear, brilliantly contrasted in bullet stature, vocal colouring, and viciously incisive diction, as the Kabanikha.

The theatre is huge, and to a newcomer it seemed at first that the normally indomitable vitality of Janacek's scoring was failing to register. The feeling never quite passed, but because the conducting of Christoph von Dohnanyi was judged to the house, the heroine, and the orchestra with absolute mastery, the inner ear soon learned to make up the difference.

Large for Janacek, the War Memorial should have dwarfed Strauss—by comparison, the Coliseum is a cubby-hole. It was not just the recent unhappy ENO experience that set up the marker of this extraordinary success; audience merriment, delight, and enthusiasm were tokens just as reliable. Dohnanyi, again the conductor, approached the filigree score to bring out the robustness behind the lushness of the part-writing—there was no wilting (though much tenderness in the nymph trios), no lagging, and much rhythmic propulsion, yet the opera never seemed pushed or inflated beyond its capacities. Hans Neugebaure, producing in the Messel sets (borrowed from the Met), set his sights on rendering the work in full itself on the large stage, not stuffing it with panicky padding; in this, he and Dohnanyi were at one.

Rosalind Plowright had made her San Francisco debut in the title role; at this performance it fell to the young understudy, Luana deVol, whose lustrous, very beautiful soprano must surely (once she has learned to command the stage more grandly) equip her for international stardom. There was a very special pleasure in attending an *Ariadne* cast (except for Walter Berry's famous Music Master) with young native singers, all exact in style and in voice. Susan Quittmeyer is a *strahlend* Composer in the Jurinac line; Kathleen Battle's Zerbinetta is sweet, witty, alert to the sudden beams the character can throw on her companions, and superlatively easy in the music. Excellent buffi, acceptable Bacchus (William Johns). It's never wise to generalise out of inexperience; but after two such performances the high standing of the company was easy to confirm.

Down the coast, the San Diego Opera commenced its operations with *Lohengrin*. The British visitor noted with interest the American debut of John Tomlinson (King Henry) and the return here of Pauline Tinsley (Ortrud)—he is sonorous, impressive voice, she a little worn-sounding in patches but immensely grand and thrilling. *(Why* is this fine performer virtually in exile from her home houses?) But this was altogether a noble effort, seriously and thoughtfully conducted by Theo Alcantara, better to look at (in Montresor sets, despite their flounces, raptly picturesque) than recent efforts in London and Bayreuth, and distinguished by the very strong Telramund of William Justus and the glowing Elsa of Stephanie Sundine. San Diego's recent claim to international attention has been in its discovery of such rarities as Thomas's *Hamlet*, Chabrier's *Gwendoline*, and Saint-Saens's *Henry VIII*. *Lohengrin* showed that it is a company with substance enough for greater challenges.

MAX LOPPERT

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Sept 30–Oct 6

Theatre

LONDON

The Tempest (Barbican): Derek Jacobi takes a short respite from his recent triumph as Cyrano to add last summer's Stratford Prospero to the RSC London programme. A younger magus than is usual, he gives a performance that is technically accomplished and imaginatively adventurous. An entertaining production. (628 8795)

Tales from Hollywood (Lyttelton): New Christopher Hampton play about the European emigrés working in Tinseltown during the war. Intelligent, witty and pertinent play about the artist in exile, with Michael Gambon as the lugubriously resurrected Odon von Horwath and Ian McDiarmid a predatory, very funny Brecht. (928 2252)

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

A Patriot For Me (Haymarket): Alan Bates leads a wonderful revival of John Osborne's masterful play about sexual and conspirational intrigue in the Austro-Hungarian empire. A rich tapestry, with a famous drag ball scene at the centre. (930 9832).

Great and Small (Vaudeville): Glenda Jackson in top form as an urban lady on the brink. Keith Hack's production is very fine, and London has done full justice to Botho Strauss, one of West Germany's leading young playwrights. Pessimistic material but a highly refreshing, and above all different, sort of evening. (836 9988).

Song and Dance (Palace): Surprise hit at the Palace, newly acquired by the show's composer Andrew Lloyd Webber. Lulu now sings, Graham Fletcher dances. Overblown middle-brow stuff. (437 6834).

Blood Brothers (Lyric): Strong rock melodrama by Willy Russell about Liverpool twins separated at birth. Pop star Barbara Dickson, very like a young Gracie Fields, is superb as their grief-wracked mother. (437 3686).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. (836 8108).

NEW YORK

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the houpla, apart from the first-act finale a la Gaite Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

Night Mother (Golden): Marsha Norman's harrowing drama of a young woman's last hours before committing suicide in her mother's home makes for the intellectuals' form of sensationalism, with powerful acting by Kathy Bates and Anne Pitoniak, directed by Tom Moore. (239 6200).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472).

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246).

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262).

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama. (541 8394).

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

WASHINGTON

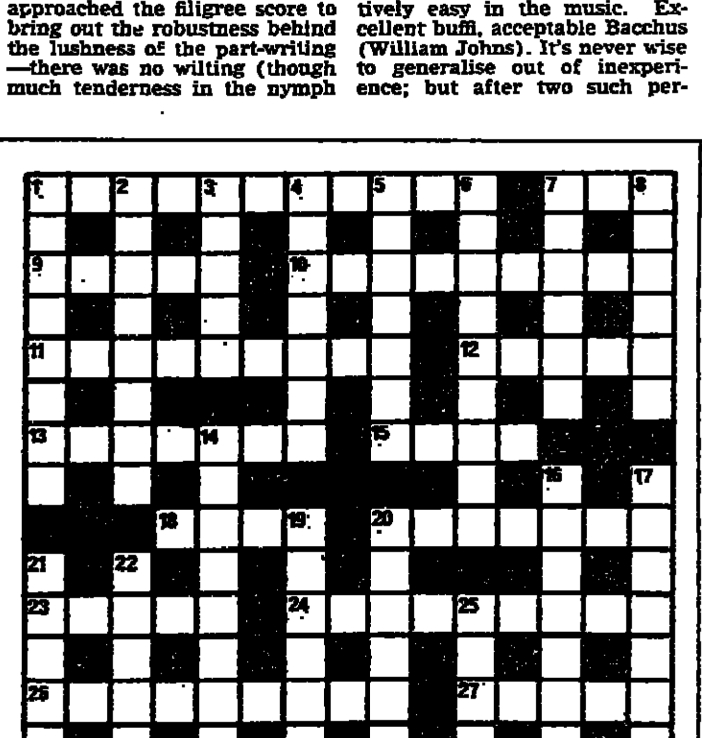
The Golden Age (Eisenhower): A. R. Gurney has built a swift reputation on a career of taking a gentle but not uncritical look at the White Anglo-Saxon Protestants who set the tone of American gentility without always subscribing to its precepts themselves. (254 3670).

Troilus and Cressida (Folger): season opener in the company's own Globe Theatre is by their "resident playwright" exploring infidelity and romance against a Trojan War backdrop. (546 4000).

CHICAGO

E. R. (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000).

F.T. CROSSWORD PUZZLE No. 5,234



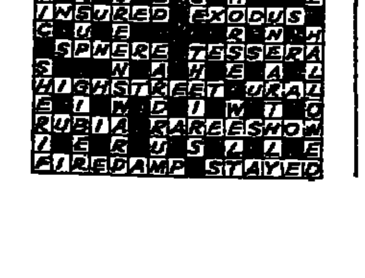
ACROSS

1 Science as a basis of prophecy? (11)
7, 9 Management of BL in need of sheets etc. (3-5)
10 Humorist gets meat in dale, Northern (4, 5)
11 So it's the man with the whistle on deposit (9)
12 French girl instead elected (5)
13 Behave amorously, and maybe marriage will follow—it may be pinned down (4-3)
15, 18 Candid actors in the pit? (4, 4)
20 Western leader, one who owes one old penny, is a man bereft (7)
23 Restraint for golfers? (5)
24 Fairy free from dirt in the golden age of Athens (9)
26 Harriet cut short by another girl with a wind instrument (9)
27, 28 Easy sort of order for 7 across (5, 3)
29 Recorder is on top of a contentious situation (11)

DOWN

1, 2 Fighting inclination to have indictment neatly arranged (8, 8)
3 Weight of a cat? (5)
4 Easy means of profit, likely to fray? (3, 4)
5 Wine town in Italy, or South-East Asian circle (7)
6 1984? Yes — read about Aldous Huxley initially (4, 5)
7, 8 One who can be poised (without the French TD) on points? (6-6)
14 Amphibian with seat in fairy ring? (9)
16 Flower, very small, eaten by pest, possibly (5, 3)
17 Lady incorporated in newspapers (8)
19 Super stuff to put on a pudding (7)
20 Fighting is remote in pottery, perhaps (7)
21 Accident on motorway, somewhere near the M6 (6)
22 Natural series—nothing to swear about (6)
25 Financial collapse—money's about right (5)

Solution to Puzzle No. 5,233



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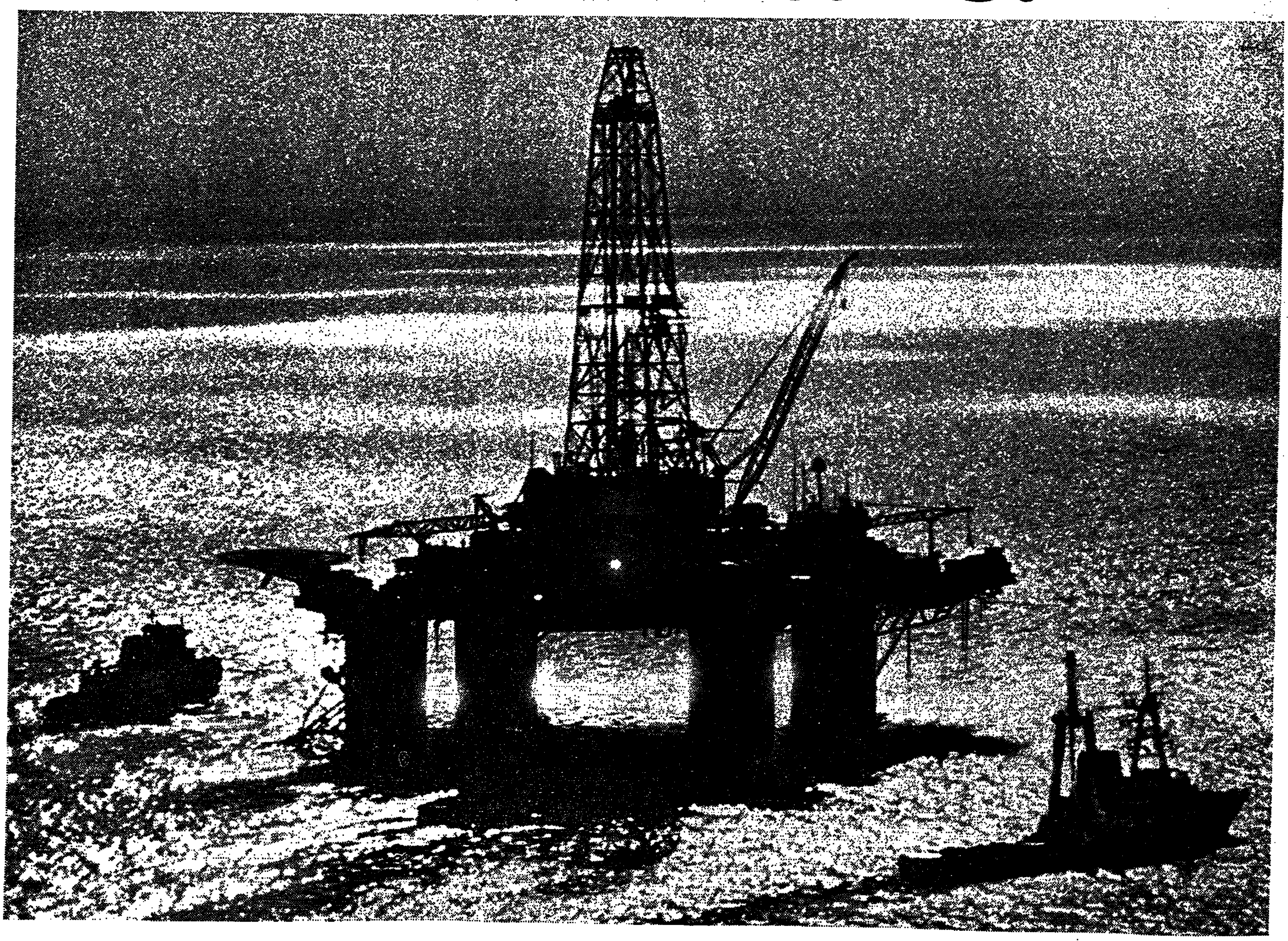

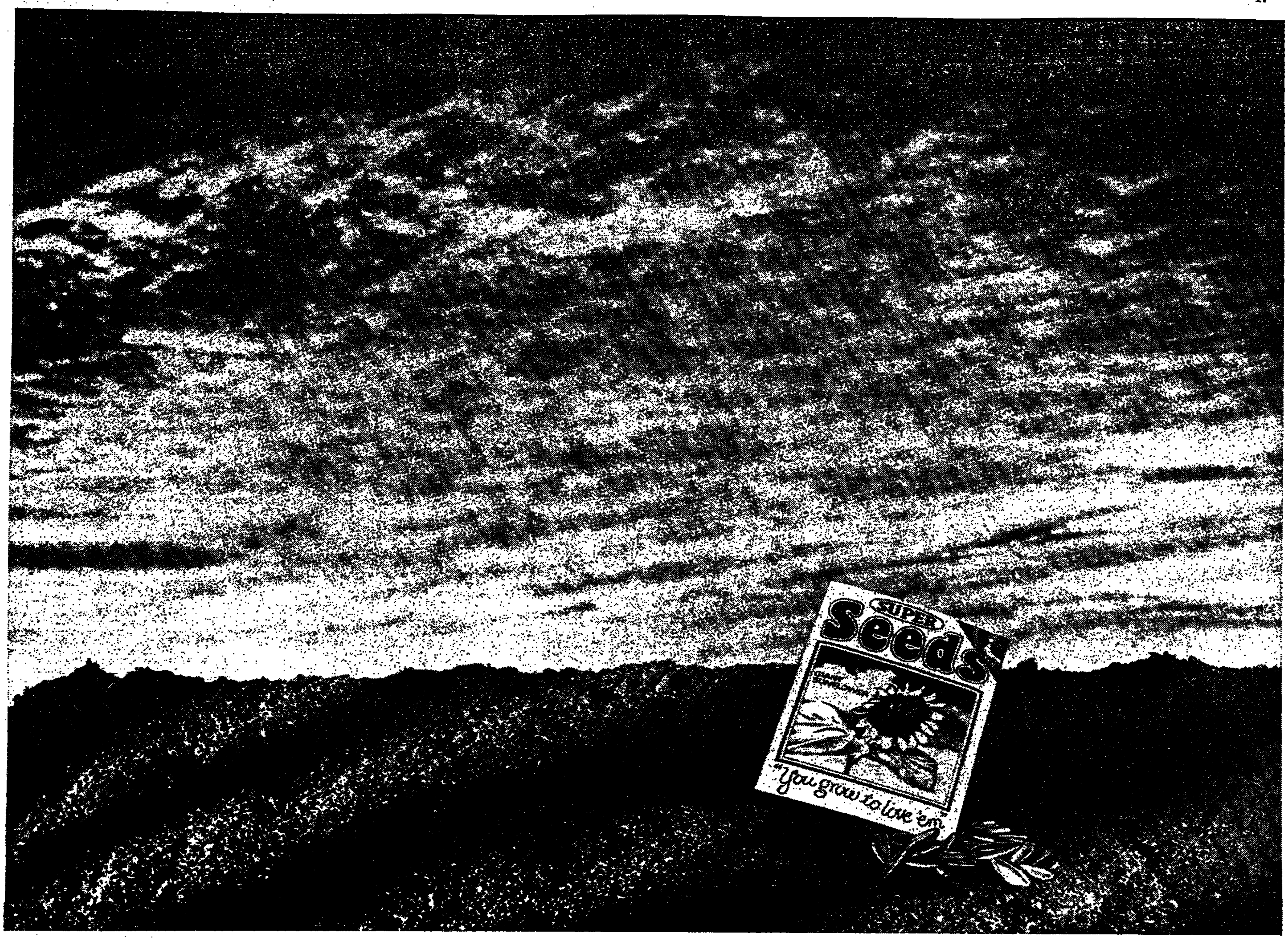

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Wednesday October 5 1983

A time for wider vision

POLICY struggles between the member states of the European Community have, over the years, become so frequent and so familiar that it may be tempting to play down the multi-headed negotiations on which they are embarked, as the run-up to just another quarrel. Nothing could be more misguided. The Community is unquestionably facing the most serious turning-point in its 25-year history, and the critical choices which loom ahead may well determine its future for many years to come.

Making the right choices will require much more than toughness in the defence of national interests; above all, it will call for a more serious effort of imagination, and a greater breadth of vision, than the member governments have displayed for many a long year.

It is impossible to compute in advance the size of the downside risk. If the member states fail to reach agreement, if not by December then at least by the following European summit in the spring, then the Community budget will start to run out of money, and Community spending policies, including the common agricultural policy, will begin to crumble. The implications of failure would be even more serious than its direct consequences; for it would show that the member states were not prepared to take a broader view of their long-term common future.

This prospect should be sufficiently alarming to concentrate minds on the task of avoiding deadlock and breakdown. No government will want to be cast as the scapegoat for such a crisis: fear may be the most powerful force urging them all in the direction of a settlement.

Farm policy

There are also more positive factors favouring agreement, at least potentially. In principle, there is a clear difference of opinion between Britain and most of its partners over whether the Community needs a larger revenue base, or should instead solve its financial problems by cutting out waste. Mrs Thatcher takes the latter view, in principle; but she has already signalled a readiness to be flexible on the point *providing* her other conditions are satisfied.

One of these conditions is that strict curbs must be placed on the costs of the farm policy. The severity of the controls she is proposing meets stiff hostility from other member states. But it is increasingly widely recognised, throughout the Community, that some way must be found of taming the inexorable growth of structural surpluses, and the case for doing so has been immeasurably strengthened by this year's rocketing increase in the costs of the farm policy.

There is also hostility to Mrs Thatcher's other demand, for a permanent mechanism to protect any member state from having to make too large a contribution to the Community budget. But the British problem, and British complaints about it, have proved so durable over the past decade that no member state can pretend that they will evaporate in any foreseeable future unless serious concessions are made towards Mrs Thatcher's point of view. Other member states should find such concessions less painful than a collapse of the Community's spending policies.

Narrow interests

The grounds for optimism must not be overstated, however. The tenacious defence of narrow national interests has been the hallmark of all recent negotiations in the Community; and there is an obvious danger that government will suppose that they can maximise their advantage by carrying deadlock right up to the wire and beyond.

This danger is the more probable, if they concentrate their attentions on the most contentious issues, at the expense of any broader consideration of ways of strengthening the Community in future. Britain and France have both made proposals for such improvements; the most urgent requirement is that the member states should give equal priority to these more constructive items on the agenda, in order that hope may buttress fear as an incentive for agreement. If they reach December with rigid positions on financial questions, and without having worked up the dossier on future Community policies, the outlook will be serious indeed.

New approach to arts funding

LAST January the then Minister for the Arts, Mr Paul Channon, found £5m of government money to wipe out the accumulating deficits of the four major national arts companies—the Royal Opera House, Covent Garden, the National Theatre, the Royal Shakespeare Company, and the English National Opera. As a quid pro quo for his generosity he asked the then head of the Government Efficiency Unit, Mr Clive Priestley, to undertake a detailed examination of the financial affairs of two of the organisations, Covent Garden and the RSC.

He could hardly have expected Mr Priestley and his team to come up with such a thorough and controversial report, a report which offers the new Arts Minister, the Lord Gowrie, the opportunity to transform the funding of the arts in the UK.

Mr Priestley, starting with no preconceived ideas and rigorously rejecting the temptation to comment on the artistic merits of the two companies, has found little wrong with their financial management, apart from weakness in dealing with strong craft unions and a lack of expertise in forward planning.

He recommends that the deficits they both have accumulated in this financial year should be written off and that, if they accept his suggestions for better planning, they should be guaranteed further monies over three years.

Direct grant

This in itself is a rebuff to those who have criticised Covent Garden for paying exorbitant fees to temperamental foreign singers and the RSC for opening new theatres and then complaining about the inadequacies of its grant in running them. But the real bombshell in the Priestley report is his recommendation that the Big Four should be funded directly, either by earmarking part of the Arts Council grant specifically and inalienably for these companies or, as he would prefer, by direct grant from the Government. The Arts Council would in effect lose control of its four largest clients which account for around a third of its spending.

The immediate objection is that the companies would lose their independence if they looked to the government of the day for their survival. Mr Priestley argues that the three-year basis of funding, with an independent review at the end of the period, would preserve the arm's length relationship on artistic matters. "The Government itself should not go in for formal artistic assessment. What it needs is merely a knowledge and understanding of their artistic objectives. The national companies are so visible that the funding authority will be quickly aware from the public and critical response to them whether they are, over time, achieving their artistic aims."

Mr Priestley suggests that the triennial assessment should not be conducted by the Arts Council, but by two or three people of "suitable artistic, financial and business experience." The review might be led by the chairman or secretary-general of the Arts Council but Mr Priestly points out that "the assessment of a business of the size of a national company is neither a process in which the Arts Council is well versed nor one which conforms to a long-standing interpretation of its function as a grant distributor or to the capacity it has available to undertake it."

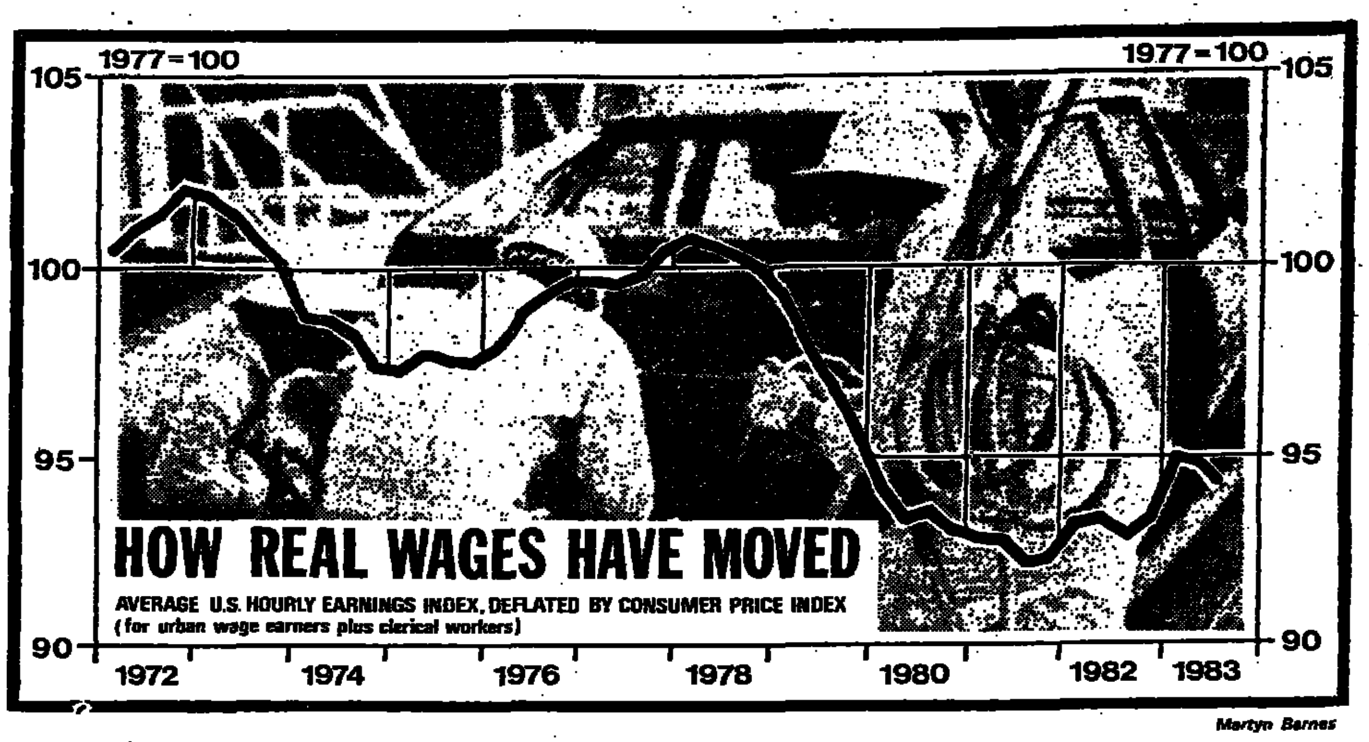
Stability

The four big national companies are different in character from local theatres and regional orchestras and Mr Priestly makes a strong case for treating them differently. He is proposing a funding regime, fair to the taxpayer and to the companies, which would provide stability and a sensible discipline for management. Subsidies for the arts in general and for the big four companies in particular will always involve difficult political decisions, but Mr Priestly's proposals deserve careful study by Ministers.

U.S. WAGE RESTRAINT

The deal that bucked a trend

By Terry Dodsworth in New York



Martyn Barnes

ON LABOUR DAY, when America celebrates the the working man by puttings its feet up, Mr Lee Iacocca was hard at work. Just as the wire services went ahead, the mercurial Chrysler chairman decided to cut through months of pay wrangling and called in the Auto Workers' Union. Six hours later the UAW walked away with a substantial wage increase.

This deft piece of stage management ensured that the deal slipped through last month with a minimum of fuss and publicity. But the agreement nevertheless sent a shudder through the collective ranks of the U.S.'s labour relations managers. Two years earlier, on the brink of bankruptcy, and lobbying desperately for support from the Government and banks, Chrysler had started a trend by negotiating heavy pay cuts. With the Government paid back in full, the shares rocketing up, and dividends to preferred stockholders at last being resumed, the workers had come back for their pay-off as well—and had got it.

"If you had asked me a month ago what I thought the prospects were for pay restraint, I would have said they were quite good." says Mr William Machaver, vice-president of industrial relations at Sun Chemical. "Now I am not so sure. And the difference is Chrysler."

Yet until Chrysler's *volte-face,* all the news had been running in one direction. Across a whole swathe of traditional industry, management had been taking a much tougher stance on pay. The recession seemed to have sharpened American industry's awareness that it was not the competitive powerhouse it used to be, and this was being reflected in the level of wage increases emerging from the harder-hit sectors. Take the following examples:

- In the steel industry, manned by the aristocracy of America's blue collar workforce, the union accepted a $1.25 an hour cut earlier this year as part of a deal which will only just put wage rates back to 1982 levels at the end of 1986. After allowing for inflation, pay is expected to fall by around 5 per cent this year.
- At Ford, after nine months of bitter feuding over the future of Ronge Steel, reckoned to be the highest cost steel manufacturing unit in the U.S. industry, management finally threw down the gauntlet in September and threatened to close down the plant. These strong-arm tactics paid off: the workforce voted to accept pay cuts of almost $5 an hour for 4,000 men by a 2-to-1 majority.
- The aluminium industry, partly organised by the United Steelworkers of America, has negotiated an agreement which gives zero basic wage increases over the next three years, with cost of living adjustments which are extremely unlikely to keep up with inflation. The union thinks that real take-home pay will go down this year, even with benefits; management believes it will have stabilised labour costs through to 1986.
- A similar basic wage freeze agreement has been reached in the canning industry. "Our projection is that the workforce will do no better than inflation over the next three years," says Continental.
- In a more novel agreement, the agricultural machinery specialist John Deere has just finalised a contract which again gives nothing on basic wages. However, Deere is giving its workers a share in the profits of the company, a promise which could be worth a great deal if the group recovers to the glittering standards it established in the 1970s, but is currently valueless as the company wallows in losses.

A promise that may be worth a lot, but is currently valueless

- Earlier this year, the mighty Teamsters' Union also accepted a zero three-year pay contract in the trucking industry. Members have more recently rejected plans to create jobs by allowing companies to re-hire previously laid-off workers at around two-thirds of their former salary: but the fact that the union leadership was prepared to promote the proposals shows how far the old habits have changed.

The airline industry has moved into a similar cost-cutting drive. Delta, for example, has cut management pay, Republic has pushed through a general 15 per cent reduction, and both Continental and Eastern are desperately trying to go down a similar route.

Perhaps the most revealing characteristic of all these radical new contracts is that they have come in industries which showered privileges on their employees in the past.

In the late 1970, the exceptionally high rate of inflation meant that many U.S. workers suffered a decline in real take-home pay. But in heavy industry, the muscle of the big unions generally ensured that wages kept ahead. They had a built-in protection through the cost of living adjustments, first negotiated in a low inflation era, and responsible for roughly 60 per cent of wage increases in the 1970s. Apart from that, however, standard contracts gave many workers in metalworking and heavily unionised sectors like paper and rubber a regular 3 per cent annual increase, plus the occasional one-off bonus on the signing of a new agreement.

The steelworkers were the most successful players in this game, passing the auto workers in earnings terms in the early 1970s, and not looking back for the rest of the decade. Management in this period seems to have been haunted by the fear of losing market share and, as one industry insider say, "purchased peace without realising what was happening overseas."

With their enormous tribe loyalty, often negotiating as one body with rival managements, the steelworkers gradually put an armlock on an industry which was not adapting fast enough in any case. "When productivity was rising at 10 per cent a year and we were receiving real wage increases of 4 per cent, the situation was not too bad," says Mr Edmond Ayoub, chief economist at the united Steelworkers of America. "But from 1973 to 1980 we were getting employment cost increases of more than 4 per cent while productivity was going up at less than 1 per cent a year. Unit labour costs inevitably went up rapidly."

In that period of the mid to late 1970s, the metalworking unions tended to set the ground rules for the bargaining round. As one industrial relations manager puts it: "It was never very easy to stand up to your own unions when they came through the door waving a piece of paper saying that the people up in Pittsburgh had got 20 per cent, so why couldn't they?"

But the recession and lay-offs have drained the United Steelworkers' strength. Membership of the union is down to 700,000 from 1.4m only two years ago, and it has no immediate prospect of picking up again as the steel companies strive to cut their horrendous losses through closures, mergers and redundancies.

The recession and lay-offs drained the Steelworkers' strenigh

The waning of the metalworking unions' power has undoubtedly had a knock-on effect on industry at large. It has been a factor in the reduction of wage inflation in general, and it has allowed other sectors of the economy to start to catch up on the pay standards in heavy industry.

Yet a large question-mark still hangs over this new era of wage bargaining. Is the move towards restraint merely a temporary response to the recession, or are the older, heavily unionised industries now driving forward permanently to alter their competitive base? The Chrysler agreement has thrown this debate into the open, because it has played straight into the hands of those unionists who believe that the end of the recession will put wage bargainers back where they have been throughout most of the post-war growth period — well placed to put the screws on any management anxious to maintain its market position. After all, it is said, Mr Iacocca signed mainly because he wanted to avoid a stoppage when Chrysler was moving into production overdrive.

Nevertheless, the argument against this traditionalist view is a strong one. First of all, the Chrysler example does not give a particularly good indication of the competitive pressures now being exerted on heavy industry in the U.S. Like the rest of the motor industry, the company owes at least some part of its revival to the severely protectionist stance of the U.S. Government over Japanese cars. Take that protection away and the U.S. car companies' recovery from the recession would probably look a lot less impressive—a point which explains the intense lobbying now going on to prevent an increase in the Japanese import quota.

Secondly, all of these industries are likely to remain exposed to a demanding competitive challenge from overseas, recession or not. While the much-forecast fall in the dollar would give the U.S. some breathing space, the steady gain of imports has driven home U.S. industry's lack of competitive bite. Since 1975, the import share of the U.S. industrial market has jumped from 11 to 17 per cent, while the country's share of exports to the non-Communist world has slipped from 15 to 12 per cent; and in steel, now partly insulated by EEC quotas, a record 22 per cent of deliveries went to imports last year.

Thirdly, in the transport sector, particularly trucking and airlines, but also the railways to some extent, the changes brought about through deregulation of fares and rates will keep up the pressure on costs. The present round of savage price wars is partly the result of carriers pushing into each others' formerly-protected territory. In many cases, regional or new companies with lower labour costs are mounting a challenge to the established groups; and in trucking, where 100,000 of the Teamsters' 300,000 members are now officially laid off, many drivers are reported to be adding to the competition by setting up in business on their own account.

Finally, some of the established metalworking and heavy industry sectors seem to have been exposed to increasing competition from within the U.S. itself. Over 80 per cent of the country's workforce is still not unionised, providing potential cheap labour pools which are increasingly being exploited. In the rubber and tyre industry, for example, Michelin of France has moved in and found a niche; and in the canning industry, where up-to-date technology can be bought off the shelf, many customers of the big producers are now moving to bring the process in-house on a cheaper labour base.

"Between 1970 and 1982, our labour costs were rising at an annual rate of 13.7 per cent," says Mr Stephen Rexford, vice-president of human resources at Continental Can. "We were able to keep ahead through heavy investment, but the only way you can still survive in a semi-commodity business like this is to take the wage rate down."

Management is inevitably divided as to how far these changes in the market place have sunk in among the unions. There is a keen debate at the moment, for example, on the degree to which the old monolithic structures of organised labour are being broken down to be replaced by a more company-orientated structure, more sensitive to the particular business's needs and local pay rates. In steel, there have been some tell-tale signs of splits in the national bargaining process.

Over 80 per cent of the U.S. workforce is still not unionised

But even if these strains are absorbed by the big unions, there is a widespread feeling that they have become more willing to throw the wages debate open to questions of international—or national—competitiveness. "We are going to be buffeted by change because a new generation of competitors is establishing itself," says Mr Rexford. "There are a lot of hungry people around the world."

Men & Matters

Sea twins

The Barclay twins, about to purchase the Ellerman Lines shipping and brewing group for an estimated £50m, could never be accused of bragging about their business achievements.

Even those in the City who have dealt with the twins (in their late 40s and hoteliers for 25 years) are stumped when it comes to saying much about them. "They have taken the low profile idea to the ultimate extreme," said one analyst.

It goes without saying that David and Frederick Barclay did not make themselves available for comment at their office near Hyde Park yesterday. But a spokesman who would not give his name—"that's the whole point of being a spokesman—did say why the brothers had decided to buy Ellerman.

Since high prices make it hard to buy new hotels in London, the Barclays saw a logic in extending their interests into brewing, just as the late Sir Maxwell Joseph did on a grander scale with Grand Metropolitan into Watneys and Trumans in the earlys 1970s.

Through the deal, the publicity-shy Barclays will acquire 850 pubs and 120 off-licences in northern Scotland and East Anglia, along with the J. W. Cameron, and Tollemache and Cobbold breweries.

Ironically, the M. F. North hotel company, bought by the twins for over £9m last year, used to have a strictly no alcohol policy. Other Barclays operations include the luxury Howard Hotel in London, three former British Rail hotels, a large hotel in Surrey, and the Mirabeau Hotel in Monte Carlo.

Several City voices expressed surprise that the Barclays were buying Ellerman at what seemed such a low price. There had been other efforts to bid for the breweries for around £60m, with one major brewer ready to take a 15 per cent stake, the management itself around 30 per cent, and banks and institutions the rest.

Also, the shipping division management was ready with its own buy-out for some £5m. But the Ellerman trustees wanted to sell the group to one bidder, and had been trying to do so for about a year.

The Barclays' secrecy is certainly as defiant as that of Ellerman Lines used to be. The second Sir John Ellerman, who inherited a £40m fortune from his father in 1933, abhorred publicity.

One burning question which my man was keen to put to the twins thus had to remain unanswered yesterday. Would Cameron or Tolly Cobbold ales be served up to the rich and discerning guests of the plush Mirabeau in Monte Carlo?

Another world

The new Asiaworld Plaza hotel in Taipei, Taiwan, is promising some splendiferous treats when it opens later this month.

It boasts 57 restaurants and snack bars seating 30,000 eaters, a 10,000-person "Indoor Colosseum," a garden well suited for cocktail parties with, say, 5,000 guests, and a ballroom ideal for intimate occasions of no more than 3,000 people.

Guests can stay in the Genghis Khan suite for a mere $3,500 a night. That is if they want to be penny-pinching. True luxury-lovers will naturally prefer the Alexander the Great suite which tips the scales at $5,000 a night.

Sheldon's brief

There are lots of Hambros at Hambros which is why the bank has a reputation for being possibly a little too inbred for its own good. But the new team which took over with the retirement of Jocelyn Hambro in July, comprising Charles Hambro, his cousin as group chairman, and Rupert Hambro, his son, as chairman of the bank, have swallowed their pride and gone in search of new blood.

"Kind of job that would suit Geoffrey Boycott down to the ground"

For the first time in the bank's 150-year history they are hiring an outsider as an executive director. He is Peter Sheldon, aged 42, who arrives fresh from battle at UDS where among other things he ran the company's duty-free shops, the largest operation of its kind in the world.

"We want Peter to stir us up," said Rupert Hambro. "We've been through a difficult period and made some mistakes. But that's all behind us now."

It may not be that easy to dispel memories of the huge losses Hambros suffered on its forays into Norwegian shipping and U.S. oil and gas in the 1970s. But Sheldon, a dapper accountant who will be group financial director, will be casting an unsentimental eye over Hambros' sprawling empire, which includes insurance, diamonds, and advertising, as well as banking.

There are no big plans for change, at least in the short term. But a hint of further diversifications comes from Rupert Hambro. "With all that is going on in the City—reform of the stock exchange and so on—we need to ask: are there any businesses we should be in that we are not in already?"

Like buying a stockbroker, perhaps?

Laid off

Roy Hattersley is now safely installed as Labour's deputy leader. But his disappointment at not getting the top job is still apparent—although well hidden in public displays of unity with the successful Neil Kinnock.

His chagrin has been made more acute by the news that one of his foremost lieutenants, David Warburton, a figure in the moderate Forward Labour grouping, has now reaped the benefit of a little wager which savours of the safety net.

While his candidate for the leadership was going down to Kinnock by more than three-to-one, Warburton picked up winnings of £100 from a bet that Hattersley's successful opponent would pick up more than 70 per cent of the total vote.

Away days

From the staff magazine of a Manchester company: "She will be leaving us at the end of September to marry Tom — formerly of Accounts, who now runs a do-it-yourself shop in Edinburgh.

After the wedding the bride and groom will be honeymooning in different parts of France."

Observer

THE PHILIPPINES

Marcos loses a round

By Chris Sherwell, South East Asia Correspondent, recently in Manila

PRESIDENT Ferdinand Marcos of the Philippines has sustained his first serious political defeat in his continuing battle to contain the explosion ignited by the assassination of opposition leader Benigno Aquino six weeks ago.

Ironically, the setback has been meted out by his closest foreign ally, the United States. President Ronald Reagan's decision on Monday to call off his controversial trip to Manila scheduled for early November, however disguised, is a major blow to the Philippine President.

Ostensibly, Congressional business is preventing the U.S. leader visiting not only the Philippines but also neighbouring Indonesia and Thailand. The decision, being a postponement rather than a cancellation, is claimed not to be a snub for Mr Marcos.

But for the moderate political opposition which has sought to channel the spontaneous outburst of protest in Manila, it is just that, and a clear victory on which they quickly began capitalising yesterday.

To them, Mr Reagan's safety was uppermost in the White House mind, and its judgment on the turmoil has been handed down: Mr Marcos can't keep the peace.

As a result, even though President Marcos had by last week started regaining the initiative at home, his 50m countrymen and numerous foreign governments will wonder even more whether he can possibly last. Foreign bankers and businessmen will want to reassess the country's prospects for stability and review their own positions.

U.S. investment in the Philippines is reckoned to run into hundreds of millions of dollars. Managers of U.S.-related companies are already under pressure from their head offices to make judgments about the course of events knowing that, almost whatever happens, future commitments will probably be difficult to extract.

Like their U.S. counterparts, Japanese politicians and bankers have also voiced concern over the shooting of Mr Aquino and the resulting malaise.

For the U.S., the relationship with its former colony is vital to its global role. Clark Air Base and Subic Naval Base, vast installations which employ 14,500 U.S. military personnel and more than 20,000 Filipino civilians are the fulcrum of U.S power in Asia.

President Marcos of the Philippines (left) and the assassinated opposition leader Benigno Aquino (right).

They are strategically placed between the Pacific and Indian Oceans and opposite Communist Indo-China, overlooking the marine routes carrying Gulf oil to Japan. Without these bases, U.S. attempts to contain the spread of Soviet military influence would be seriously impaired.

It may be that President Reagan will be able to reassure President Marcos of the U.S.'s continuing long-term commitment to the Philippines in other ways.

But even the postponement of his visit seems certain to raise questions about Washington's real view of South-East Asia in Japan and the other four countries of the pro-western Association of South-East Nations (Asean), which embraces Thailand, Malaysia, Singapore, Indonesia and the Philippines.

The decision also comes at an awkward moment for the Philippines economy. As Asia's third largest debtor, with a U.S.$18bn external debt, the country can ill-afford to heighten investors' and bankers' concerns just as a controversial IMF-imposed austerity programme appears to be producing the first encouraging signs of improvement.

The turning point for Washington in grappling with its dilemma may have come two weeks ago, when mass demonstrations turned violent at the conclusion of the month-long series of protests occasioned directly by the assassination. At least 10 people died, scores were injured and U.S. identification with Mr Marcos became even more embarrassing.

For his part, President Marcos promptly announced a reversal of the policy he had labelled "maximum tolerance" and imposed tough restrictions on street demonstrations and rallies with the aim of reimposing public order. The number of protests promptly fell, but the underlying restlessness has persisted and the opposition has continued to talk loudly of the trouble it can cause.

At one level, this threat from the opposition seems serious. Over the past six weeks, hundreds of thousands of people have come out publicly to express their outrage over the scandalous death of Mr Aquino while in the hands of security men at Manila airport.

The boyish, articulate Aquino had come to symbolise opposition to the President who in 18 years in power, has become increasingly autocratic.

But the sheer volume of the protests at Aquino's killing suggest a deeper political hostility. Certainly few believe the government's version of the assassination: that Mr Aquino was shot in a Communist plot or in revenge for his own past political misdeeds on his return from political exile in the U.S. Even fewer reckon the government-appointed investigatory commission into the shooting will uncover the truth.

New opposition groups have sprung up meanwhile, notably Jaja (Justice for Aquino, Justice for All), which is said to embrace 45 opposition groupings.

This opposition nevertheless faces an uphill task if it is to make good its threats in the peaceful manner it promises.

The absence of a genuine alternative programme is one problem. The anti-U.S. sentiment which has surfaced could also alienate Filipinos who see genuine virtues in the U.S. security umbrella.

President Marcos, skilled political tactician that he is, will continue to seek advantage in these difficulties facing the opposition, and in several other factors:

- The support of the urban poor. Down in the crowded alleys of Tondo, the poverty-ridden suburb of Manila which has the reputation of being south-east Asia's biggest slum, Filipino families say they like President Marcos. "We have free health care and cheap education," they say.
- The relative calm, thus far, of "the provinces" outside Manila.
- The continuing, sporadic terrorist attacks by the small New People's Army, the military wing of the Communist Party of the Philippines.

Cardinal Jaime Sin, the Catholic leader in the Philippines, has put forward to President Marcos a proposal for a government advisory commission which would include opposition, church and business figures. But it appears to have only limp support from those who would be involved, and Mr Marcos himself has given it only peremptory consideration.

If the idea seems to be the easiest concession he could make in such trying times, it is also the case that he has rarely shown any desire to seek a compromise. It is neither in his character nor his style; and at the present moment he could expect such an offer to be interpreted as a sign of weakness.

To be added to the uncertainty is the question mark hanging over President Marcos's health.

Many people now believe that he was not fully in control of his country at the time Mr Aquino was shot, and that a recurrence of his kidney condition resulted in the remarkably inept handling of the immediate aftermath of the shooting, when no one was apparently in charge.

This underlined the problem of the succession and the unsavoury intrigues among his closest associates who would have gained from the death of Mr Aquino, a potential rival after President Marcos's demise.

The most visible of these cliques embraces Mrs Imelda Marcos, the president's ambitious wife, who is Minister of Human Settlements and governor of Metro Manila.

Mrs Marcos is believed to have been behind a barrage of bitter criticism of Mr Cesar Virata, the Prime Minister and Finance Minister and the only figure in Government who appears to inspire confidence in foreign investors.

The apparent reason was the effect of the tough IMF austerity programme. Since the programme began, the Government has devalued the peso, taken steps to conserve foreign exchange, abandoned five industrial projects and adopted a tight monetary policy—all with the aim of almost halving last year's budget deficit as a proportion of GNP and, externally, halving last year's record overall balance of payments deficit to US$600m.

Mr Virata and the central bank governor, Mr Jaime Laya, have been in Washington over the past few days laying the groundwork for a renegotiation of IMF facilities for next year under a programme which, they hope, will retain the confidence of the foreign banks. President Reagan's decision seems likely to make their task more difficult.

For President Marcos, the present crisis will be nothing new. "Marcos loves a crisis," says one Westerner. "It is when he is at his best."

Occupational pensions

The 'early leaver' problem—and beyond

By Michael Beenstock

ON SEPTEMBER 14, Norman Fowler hosted a conference at the DHSS to discuss policy measures to remedy the so-called "early leavers" problem that our present occupational pension arrangements have brought about.

The basic principle of these arrangements is that pensions are related to the final salary earned by the pensioner with a particular employer. Only if an individual stays with the same employer until he retires does he enjoy full benefits. Our present arrangements, therefore, inhibit labour mobility and are unjust.

Broadly speaking, two solutions to the problem have been suggested. The Centre for Policy Studies (CPS) has caused a great stir by suggesting radical changes to our present arrangements. The essence of this proposal is that the capital value of contributions should become the property of the individual instead of being lost in an anonymous fund of contributions as at present. On retirement each person would then live off this capital, as was the case before the final salary principle was established.

Since the capital value is always known and is personalised the CPS proposal implies that pensions are just as portable as bank deposits and so the "early leavers" problem is solved.

The other set of solutions proposed, for example by the Occupational Pensions' Board, essentially tinkers with the present system in the sense that it works within the final salary principle.

The debate has got bogged down between the CPS and OPB views. My purpose here is to show that there is right (and wrong) on both sides and to suggest an appropriate solution to this interesting social problem.

Fundamentally, pension contributions purchase two distinct things. First of all, contributions are a form of savings designed to defer consumption during working life to consumption during retirement. This is achieved by the individual investing his savings in the best possible way so that when he retires his capital is as large as possible. He then lives off this capital during retirement. This is the money value principle embodied in the CPS view.

Secondly, contributions purchase insurance of income during retirement. The individual does not know when he is going to die; he might live to 100 or die even before retirement. He naturally wishes to insure against destitute longevity. If he dies at 64, he cannot claim on the policy; if he dies at 100 he benefits greatly from the policy; this is the luck of the draw with all insurance contracts. The final salary principle fulfils the insurance motive and explains its popularity.

The individual naturally wishes to insure against destitute longevity

Generally speaking, the individual is motivated by both the savings and the insurance motives. When I retire, I not only want income insurance but capital. The CPS is right to emphasise the capital motive but wrong to neglect the insurance motive. The OPB is right to emphasise the insurance but wrong to neglect the capital motive. However, the CPS is right in emphasising that contributions should be personalised.

These considerations lead me to suggest the following way forward. First, the capital and insurance elements of contributions should be separated. Just as life assurance contributions clearly distinguish between the sum assured and capital so should pension contributions. Our present arrangements hopelessly confuse the two.

Secondly, the insurance contribution should be competitively priced. For example, those with higher life expectancy are a greater actuarial risk and should be charged more.

More generally, individuals should be free to vary the kind of insurance contract as it suits them. There are three basic elements to this: the pension to be received, the start date for benefits and a terminal date for benefits. (I have worked out a methodology which shows how such insurance contracts might be fairly priced). If people wish to link benefits to their final salaries, that is their free choice, but there is obviously nothing sacrosanct in this principle.

Thirdly, contributions should be personalised just as car insurance or savings are personalised. There is nothing special about pensions to justify our present impersonal arrangements. This, of course, solves the "early leavers" problem, but this is hardly the main point.

Fourthly, people should be free to choose their own scheme and should not be tied down to the employer's scheme. The competition that this will bring about is likely to increase value for money. It also implies that pensions are completely portable no matter whether or not one is an "early leaver."

Fifthly, the employer contribution should be consolidated into wages and the individual should be free to determine his own contributions. A pension is inherently the concern of the prospective pensioner rather than his employer.

These proposals imply that on retirement people would receive a capital sum that reflects the investment element of their pension contributions. However, they would also receive an assured income that reflects the insurance element of their contributions. On death a person may bequeath what remains of the capital sum but the claim on the insurance contract ceases. The sizes of these two benefits depend upon the individual's contributions, the returns on the investments and the costs of the income insurance. Benefits would then only be related to final salaries if the appropriate contributions are paid.

The "early leavers" crisis should not become an excuse to patch up our present unsound arrangements. Instead, the Government should seize it as an opportunity for more fundamental change and justice for millions of pensioners. This is one U-turn that is overdue.

Michael Beenstock is Professor Finance of Investment at the City University, London.

Letters to the Editor

Progressive schools, ruffians and education

From the Head
King Alfred School

Sir,—Michael Dixon stigmatises (September 24) a number of well-known "progressive" schools as being "merely liberal." Perhaps he would apply that epithet to a wonderful product of late-Victorian rationalism, King Alfred School, Hampstead. Would I, its head and an ex-Eaton beak, be automatically termed "reactionary?"

In plotting the decline of "progressive education" Michael Dixon makes some facile assumptions: for instance, the romantic one that a progressive school is to be judged by its democratic organisation. I would like to ask an historian of Neill's Summerhill whether the democratic "moot" ever, say, got a child talking to the parents after what seemed like total family breakdown—something I'm sure Neill himself managed.

My point is very simple: if progressive (or "merely liberal") schools have anything to offer it is a capacity to avoid seductive dogma. We may all, as Michael Dixon suggests, be moving into a period when rigid discipline is more acceptable to parents (and to their offspring? —I wonder). But I'd hope liberal teachers would avoid the generalisation quoted from Mr Riaz Shahid: ". . . the existing schools which mostly turn out just the ruffians of tomorrow." I have every sympathy with the Bradford Muslims who wish to set up their own schools; but I'd advise them to secure a more temperate spokesperson.

In any case, the feeling Mr Dixon senses (that discipline is "unwarrantably lax" in schools) may find loud voices but no general acceptance. Progressive schools—certainly this one—can find themselves embarrassingly over-subscribed; and the greatest pressure comes from parents whose children have been (there's no other word for it) damaged in more traditional establishments.

Which is not to say progressive schools are perfect or ever likely to be. But we do take seriously the job of giving an individual student power over her or his life. That implies, by the way, coping successfully with the public exam system; and often coping with pressure from ambitious parents.

Francis Moran,
King Alfred School,
Manor Wood,
North End Road, NW11.

Permission to deal

From Mr G. Dougherty

Sir, — Following Mr Straw's letter (September 30) in response to Mr Lewis's, may I add my four-pennyworth?

Speaking as somebody involved in the front line of exchange controls when they were in force (a foreign clerk in one of the main clearing banks), I found that the exchange control manual could best be described as a book giving permission to transfer funds abroad, rather than the prohibition of the same.

The only problem is finding which of the relevant exchange control regulations actually gave the permission!

G. J. I. Dougherty
Barclays Bank, Runcorn Branch
1 Runcorn Shopping City,
Runcorn, Cheshire.

A question of good faith

From Mr A. Lowe

Sir,—I have just read the letters from Messrs Taubeneck and Liddiard (September 27) with interest.

Mr Liddiard shows that California's use of the unitary system seems to be on the basis of "heads we win, tails you lose." That is to say, you are Unitary if it pays the State, if not, different rules apply. Mr Taubeneck provides a lawyer attorney's approach, pay the tax, or pay legal fees to avoid it and be damned whether it is right or not.

The main point at issue could be said to be the British sense of fair play and the reliance of "one's word given in good faith." In order to progress the UK/U.S. double tax treaty through Parliament, and the American Houses, the British Government traded deletion of Clause 9(4) which banned unitary tax, for action to be taken by the Americans at some future date.

This action has never been taken and now the British see this as the Americans going back on their word, i.e. bad faith.

Is Mr Taubeneck saying, tough we've gotten the rules and no matter who or where you are, you play by them but hell you must not retaliate? If retaliation, or the threat of it, is the only way to make people see a little sense (i.e. the American way of doing things) then the threat must be used.

A. H. Lowe.
8, Summer Avenue,
East Molesey,
Surrey.

A rapid return to prosperity

From Mr H. Wigman

Sir,—It is barely a year since the tragedy of Stone Platt's being bankrupted featured your columns. As a contributor to the correspondence at the time, and having then discussed matters at some length with chairman Leslie Pincott, I am reminded of the telling points made by him at that time and since.

Anyone familiar with Stone Platt's bankrupting will not be too surprised to read of the rapid "return" to prosperity of Stone International.

The restoration merely confirms the claims made at the time of receivership that the failure of the Bank of England; Department of Trade and Industry; Midland and other institutions to support SP was both short-sighted and a denial of justice to creditors and shareholders.

Equally obvious is the assertion I, and others, made at the time that the receivers, determined on a quick "sale," entered into hasty arrangements with third parties who, at the expense of unprotected creditors and shareholders, now have the labours and capital of others.

It would surely now be obscene to allow Stone International, so soon and so blantantly, to have its public quotation restored.

H. Wigman,
Cherry Tree Cottage, Chess Hill,
Loudwater, Rickmansworth,
Hertfordshire.

Horses for courses

From Mr D. Garrett

Sir,—While being very aware of the difference between the subject matter, I find it somewhat amusing that the Department of Trade should be encouraging an agreed commission structure for life assurance and at the same time is party to a "deal" with the Stock Exchange council, as reported on September 22, to get rid of the present minimum scales of commission for dealing in securities.

Horses for courses, perhaps, but consistency?

David Garrett.
5 Wycecliffe Road,
Henleaze, Bristol,

The value of the dollar

From Professor I. Pearce and Dr S. Thomas

Sir,—Samuel Brittan (September 29) argues that the real international value of the U.S. dollar is currently 30 to 40 per cent higher than it ought to be and that for this reason it might be appropriate to offer a subsidy to less developed countries to help them bear the burden imposed upon them by this "unexpected element" in their economic planning held by Mr Brittan to be "not foreseen by any Government or international organisation or any school of economic thought."

The fact is, of course, that the rise in the dollar exchange should have been and was foreseen and is not in contradiction with any "school of economic thought." Eurobanks borrow short and lend long. This liquidity is preserved only by the flow of new deposits made by countries in trade surplus. If surplus countries cease to be in surplus the flow of new funds dries up. A shortage of dollars must be the consequence with a rise in the exchange rate.

(Professor) I. F. Pearce,
(Dr) S. H. Thomas.
Department of Economics,
The University,
Southampton.

Cost of tax reliefs

From Ruth Culpan

Sir,—Eric Short (September 29) outlined the latest publication by the Board of Inland Revenue which sets out the present basis of costing tax reliefs for pension schemes and itemises the cost for 1983-84—a net total of £8.25bn.

Included in its summation of tax costs the Revenue has included an item representing income tax exemption of lump sum benefits and in so doing, the Board, in producing its cost package appears to have adopted a very simplistic approach.

I know of no other current investment situation where one would make an investment out of after-taxed income, have tax levied on any profit or gain and then on withdrawal be obliged to pay income tax again on the principal.

I would suggest that the Inland Revenue re-do its sums.

Ruth M. Culpan.
Roundells Manor,
Old Scriven,
Knaresborough,
North Yorkshire.

FINANCIAL TIMES

Wednesday October 5 1983

BID TO CURB PROJECTS OUTSIDE STATE PLAN

China imposes construction tax

BY MARK BAKER IN PEKING

CHINA HAS put a 10 per cent tax on capital construction projects outside the state plan in an attempt to slow a massive expansion in uncontrolled investment.

Capital construction investment rose 25 per cent last year to about $27bn. In the first five months of this year it jumped by a further 37.3 per cent over the same period in 1982.

National economic planners have been alarmed by the dramatic increase. Much of the additional investment has gone into obsolete and unnecessary projects and has soaked up resources needed for projects within the state plan.

By the end of last year, 33 out of a total of 80 major construction projects in the annual state target were not finished and much of the blame for this situation was placed on the drain in resources.

The new tax, which began last Saturday, will be 10 per cent of the entire investment on building projects outside the state plan or projects involving technical transformation or innovation in existing enterprises.

It will apply to all projects built with "extra-budgetary funds," such as the reserves of local bodies, bank loans and funds raised from other sources.

Energy and transportation development projects and the construction of educational and medical facilities will be exempt. Exemption will also be granted to foreign joint ventures, projects funded from overseas and construction by foreign governments and overseas Chinese.

The tax has been introduced following the apparent failure of other government attempts to bring construction investment under control.

In early July, the minister in charge of the state planning commission, Song Ping, ordered that all projects not included in state or local government plans be halted within two months.

Song said too many projects were being built with outdated technology to turn out products already in excessive supply and without detailed studies of mineral resources and hydrological and geological conditions.

● Mr Peter Walker is to pay the first official visit to China by a UK Energy Secretary after what he has called "an urgent invitation" by Tang Ke, China's Minister for Petroleum and Mineral Resources, writes Maurice Samuelson in London.

The visit, in the first week of November, reflects the increasing contact between both countries' energy establishments and Britain's eagerness to put its North Sea expertise at the disposal of China's nascent offshore oil industry.

The UK offshore industry has been anxious to play a major part in the development of offshore China. The Norwegians are already involved in drawing up licensing conditions for exploration.

Mr Walker said yesterday that he would discuss a range of energy developments including gas and coal as well as oil.

BSC plant 'secure even with U.S. link'

BY PETER BRUCE IN VIENNA

THE FUTURE of steel processing at the British Steel Corporation's Ravenscraig works is probably secure, in the medium term at least, even if BSC's controversial steel swap joint venture with U.S. Steel goes ahead in November.

Mr Robert Haslam, the new BSC chairman and Mr Bob Scholey, chief executive, said in Vienna yesterday that BSC would need to use the Ravenscraig facilities, which are due to be closed under the proposed U.S. venture, to help roll slab from the corporation's Port Talbot works in Wales during a £170m refit of Port Talbot's hot strip mill.

The downstream operations at Ravenscraig account for roughly half the works' 4,000 employees. The work at Port Talbot, for which most contracts have already been signed, was presented by the BSC bosses as a further complication to negotiations with U.S. Steel, which are now scheduled to end – one way or another – next month.

Although the steel swap, under which Ravenscraig slab would be finished and sold by U.S. Steel's ageing Fairless works in Pennsylvania, was hailed by Mr Haslam as "a brilliant concept," it emerged yesterday that 10 months of negotiation had resulted in precious little progress.

"A number of major things have got to fall into place, between now and November," Mr Haslam said. BSC and U.S. Steel are to hold talks in Pittsburg at the end of this month. The results of these talks will be put to the BSC board and to the Government. There will be a final make-or-break round of talks in Pittsburg or New York sometime in November.

Mr Scholey indicated that, as yet, the two sides had failed to agree on even the most basic elements of the deal. A price for Ravenscraig's slab has not yet been fixed; Ravenscraig's status in the joint venture – either as an independent company or in some way tied to BSC – remains unclear and the two sides are still far from agreement on U.S. Steel's demand that BSC put money up front in order to get into the deal.

U.S. Steel originally asked BSC for $600m, which it intended to use to modernise works other than Fairless. Ironically, this money would be used to install continuous casting machines at U.S. Steel plants and enable them to produce slab as efficiently as Ravenscraig. BSC has balked at the $600m and the two sides are now talking about a smaller investment, probably around $400m.

It also became clear yesterday that in trying to arrive at the cost of buying into the deal, BSC is relying totally on U.S. Steel's assessment of the potential markets that Ravenscraig's steel would serve.

Mr Scholey confirmed reports that BSC's weekly losses had risen sharply, to £3m, during the summer, after falling from nearly £9m to £1m in the first six months of the year.

He said prices particularly in volume products such as sheet coil, had slumped in the past few months, dashing hopes earlier in the year that they would have strengthened by now.

European producers, he said, were getting better prices for strip products in the UK than in their own markets.

Lloyd's to scrutinise syndicates' accounts

BY JOHN MOORE IN LONDON

THE REGULATORY authorities of Lloyd's, the London insurance market, are to scrutinise the reports and accounts of the market's 431 insurance syndicates, the units into which all Lloyd's members are grouped, in an effort to stamp out abuses within the community.

Lloyd's also intends to ask the agency companies which introduce members to the syndicates or which manage the syndicates to provide their reports and accounts as well.

The move has come after extensive criticism among Lloyd's members and from outside the market over earlier proposals in Lloyd's which would have led to only partial disclosure of the business affairs of the market's professionals.

For the first time in Lloyd's history of nearly 300 years a central registry, open to the public, will be created containing the details of the financial affairs of the market's professionals.

Under the new plans Lloyd's professionals will have to disclose in the accounts details of any links with offshore companies into which they have channelled Lloyd's members' funds, and the amount of money they make from the links.

Final details of how the new disclosure requirements will be implemented have to be worked out but the move is designed to trap anyone who is syphoning off Lloyd's syndicates' money and placing it without the members' knowledge in tax havens such as Bermuda, the Cayman Islands, the Isle of Man, Guernsey and other offshore areas.

The money has usually been lodged overseas in companies with which the Lloyd's professionals have had shareholding links or outright ownership, and the members of Lloyd's, whose affairs they manage, have not been told.

Lloyd's highly-criticised original proposals suggested a central register which would disclose the shareholding links with offshore companies that Lloyd's professionals had. However, in a controversial move, Lloyd's decided it would not reveal how much the Lloyd's professionals made out of these arrangements except on a restricted basis.

Now, with extensive accounting reforms planned, it is likely that more disclosure of underwriters' offshore interests will be made.

As part of the disclosure moves Lloyd's announced it was setting up an accounting and auditing standards committee to report to the ruling council. It will be chaired by Mr Charles Brandon Cough of Coopers & Lybrand, who is a member of the Lloyd's council.

Mozambique 'ready to join Lomé convention'

BY PAUL CHEESERIGHT IN BRUSSELS

PRESIDENT Samora Machel of Mozambique yesterday confirmed his country's shift to a stance more independent of the Soviet Union by stressing its adhesion to the group of African, Caribbean and Pacific (ACP) countries linked to the EEC.

He was in Brussels not only for talks with the European Commission but to address the ACP Council of Ministers now preparing its negotiating position for talks with the EEC on a new Lomé convention.

These talks start on Thursday and aim to produce a new trade and development pact to come into force in 1985. ACP officials said President Machel's remarks to ACP Ministers implied Mozambique would join a new Lomé convention.

Hitherto it has held aloof from the convention, deeming it "neo-colonialist." But latterly the country has become more open to Western capital.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	23	73	Dubrovnik	S	22	72	Malaga	F	25	77	Salzburg	S	25	77
Akrotiri	S	24	75	Faro	C	24	75	Malta	–	–	–	Seoul	S	23	73
Algiers	F	31	88	Florence	S	23	73	Manila	C	32	90	Singapore	S	32	90
Amsterdam	S	24	75	Frankfurt	S	23	73	Miami	C	29	84	Stockholm	C	14	57
Athens	S	23	73	Funchal	F	24	75	Milan	S	22	72	Strasbourg	S	25	77
Bahrain	S	33	91	Geneva	S	22	72	Moscow	F	8	46	Sydney	C	19	66
Bangkok	S	31	88	Gibraltar	F	24	75	Munich	S	24	75	Taipei	S	33	91
Barcelona	S	26	79	Guernsey	F	18	64	Nairobi	R	24	75	Tangier	S	28	82
Beirut	S	23	73	Helsinki	C	11	52	Naples	S	23	73	Tehran	–	–	–
Belgrade	S	24	75	H. Kong	C	28	84	New Delhi	S	34	94	Tel Aviv	F	25	77
Berlin	S	22	72	Innsbruck	S	23	73	New York	S	26	79	Tenerife	S	26	79
Biarritz	S	28	82	Inverness	F	13	55	Nice	S	22	72	Tokyo	S	27	81
Blackpool	R	17	63	Istanbul	S	17	63	Oporto	C	23	73	Toronto	C	23	73
Bordeaux	S	27	81	Jersey	F	20	68	Oslo	C	11	52	Tunis	F	25	77
Brussels	S	25	77	Jo'burg	S	25	77	Paris	S	24	75	Valencia	F	25	77
Budapest	F	24	75	Las Palmas	S	25	77	Prague	S	23	73	Venice	S	20	68
B. Aires	S	25	77	Lima	F	20	68	Reykjavik	C	11	52	Vienna	S	24	75
Cairo	S	28	82	Lisbon	F	24	75	Rio de J'o	R	23	73	Warsaw	F	18	64
Cape Town	S	17	63	Locarno	S	20	68	Rome	S	23	73	Zurich	S	22	72
Caracas	C	26	79	London	S	23	73								
Casablanca	C	24	75	Los Angeles	S	29	84								
Copenhagen	F	15	59	Luxembourg	S	20	68								
Corfu	S	24	75	Madrid	F	22	72								
Dublin	F	18	64	Majorca	F	27	81								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Japan's surplus set for steady growth

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S EXTERNAL current-account surplus will grow steadily for the next three years and reach $46bn in fiscal year 1986, according to a forecast by one of the country's most reputable economic research organistions.

The Research Institute of National Economy adds that the surplus will cause increasingly severe frictions between Japan and the U.S., whose current-account deficit would be much larger than Japan's surplus. The problem will be too great to be solved by stimulating Japan's domestic economic demand, the institute adds.

In a review of Japan's recent trade performance, the institute says that Japanese exports went through a period of correction between December 1981 and the first quarter of 1983, but that since then a strong recovery has been under way.

Allowing for the impact of the U.S. economic recovery on the economies of some of Japan's main trading partners, such as South Korea, the institute says that at least half of the recent recovery in Japan's exports has been either directly or indirectly the result of conditions in the U.S.

The institute believes that Japan's imports will shrink by 2 per cent during the current fiscal year while exports grow by 7.7 per cent. This will result in a trade surplus of $40.2bn and a current-account surplus of $28bn.

In 1984, 1985 and 1986, both exports and imports will expand but exports will grow faster. The institute said the low growth of Japanese imports was a result of the country's success in cutting its consumption of energy and raw materials.

Argentina may act to defuse debt crisis

Continued from Page 1

of foreign debt. Unlike Brazil, for example, Argentina does not need to be active in international trade (which would be cut off after repudiation) in order to pay for essential supplies of imported oil.

It is for this reason that banks have been watching the approaching elections with considerable unease. At present no one knows what sort of government will emerge and what will be its attitude to the country's foreign debt. The arrest of Sr Gonzalez del Solar is all the more worrying to the country's creditors because it suggests a mood of extreme nationalism which could lead to terrible shocks on the debt front.

Senior bankers in New York admitted yesterday that there was little they could do in the circumstances except cross their fingers and wait and see what happens. Their hope is that this will turn out to be just one more example of the Argentine brinkmanship which has characterised its negotiations to reschedule some $6bn in public sector debt over the past year.

The judge shocked the banking system last week by freezing further negotiation on the debt rescheduling on the grounds that the recent $220m rescheduling agreement for Aerolineas Argentinas could have prejudiced national interests. The rescheduling was supposed to have acted as a model for similar agreements between the banks and other state sector agencies.

In the last four days Argentina has added to this shock first by imposing draconian exchange controls and then by announcing a suspension of foreign payments. One of the main reasons behind this is thought to be fear of capital flight as the election approaches.

Capital flight on a large scale could wreck Argentina's still precarious international finances. This was one of the main reasons why Sr Gonzalez del Solar himself fought so hard for debt rescheduling agreements to be completed in respect of 1983 before the new government took office next year. He wanted the new government, whatever its political complexion, to be presented with a clean slate.

At a stroke Judge Pinto Kramer appeared to bankers yesterday to have put all this at risk.

Peter Bains writes from Buenos Aires: Judge Pinto Kramer is widely known to have the support of the air force and some sectors of the army, but the army and navy leadership are clearly opposed to his initiative. Admiral Ruben Franco, the navy commander, left no doubts on Monday by saying that if the re-financing contracts were not signed "we run the risk of entering a cessation of payments, which would be a tremendous catastrophe for the country."

The navy itself has considerable foreign debts and the prospect of its acquisition programme grinding to a halt is also a factor to bear in mind.

General Cristino Nicolaides, the army commander, takes a similar view. General Reynaldo Bignone, the president, has publicly expressed his support for both the central bank and the economy ministry.

Yesterday's 24-hour general strike called by Argentina's two trade union confederations was about 90 per cent effective. Road, rail and air transport was paralysed, and industrial activity in the country's main cities was virtually non-existent.

German minister defends industry policy

By Jonathan Carr in Bonn

DR GERHARD STOLTENBERG, the West German Finance Minister, has hit back at critics who claim the Government has done too little for business and industry in its first year of office.

He said yesterday that those who made the charge underestimated the size of the financial crisis which existed when the centre-right coalition came to power last October.

Speaking to the foreign press association, Dr Stoltenberg noted that the Government was handing on between DM 7bn ($2.67bn) and DM 8bn in tax benefits to industry this year and next.

But the first priority remained to cut Government borrowing, he stressed. Those who wanted more tax breaks should explain how the state deficit could be reduced at the same time.

Dr Stoltenberg's comments come at a time of growing complaint from the private sector. Many businessmen wanted quicker action on the tax front, as well as cuts in state subsidies and moves to denationalise public sector enterprises.

Dr Stoltenberg confirmed that he was firmly in favour of denationalisation and would produce a detailed scheme next year on how this could be done.

As for state subsidies, the minister agreed that the absolute sum was rising by DM 500m next year to DM 29.1bn – but the structure of state spending was changing for the better.

Moreover, while some industrialists urged cuts, others were seeking far more money from the state. The steel industry, for example, was making "wholly unacceptable" demands for support.

Swedish protest march

Continued from Page 1

But the usual picture of idyllic peace in central Stockholm was soon rudely interrupted by massed bands and marching demonstrators.

Inside the Riksdag, Sweden's 349 Members of Parliament, the King and Queen, and the assembled diplomatic corps betrayed not a sign of dissent, as Mr Palme explained that, "as part of the long-range improvement of production and employment, the Government will be presenting proposals on the introduction of wage-earner funds."

He promised the funds would "strengthen the accumulation of capital and benefit productive investments," democratic influence on economic life would be strengthened, they would "create security in employment, security for pensioners in their advancing years and safeguards against speculation in the Swedish community."

The dissenting view could be heard only outside on the streets. "Wage-earner funds against the people's will are dictatorship," screamed some of the placards steadily advancing on Parliament.

"We just do not want the funds, they are a step on the road to socialism," said a builder from Norköping.

"The Government is taking over more and more," said a 27-year-old engineer from Gothenburg. "Is there any country in the world that has more laws and regulations than we have? Who is going to start new companies, if they think they will be taken over by the funds?"

The first impetus for yesterday's mass demonstration came from five small businessmen in Småland, an area of forests and lakes in central Sweden, renowned as a centre of private enterprise and with a legion of small and medium-sized businesses.

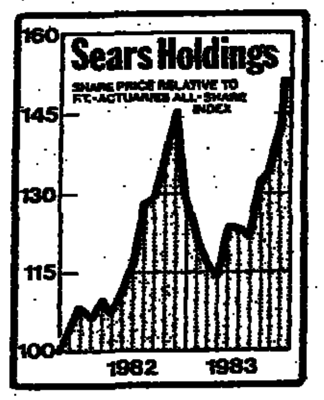
Their call was soon taken up by the big battalions of Swedish industry, however, and prominent in yesterday's protest were industrial leaders such as Mr Lennart Johansson, chief executive of SKF, Mr Hans Werthen, chairman of Electrolux, Mr Hakan Frisinger, managing director of Volvo, and Mr Curt Nicolin, chairman of Asea and of the Swedish Employers' Federation.

Stockholm's main Social Democratic newspaper welcomed the protesters ironically as members of Nicolin's "freedom army" and hoped they enjoyed their trip to the city on the socialist railway system. But the size of yesterday's protest shows that the funds issue might seriously derail the Social Democratic administration, and the centre-right opposition parties are threatening to repeal any funds legislation if they regain power in 1985.

THE LEX COLUMN

Sears beats the form book

Even bulls of the stores sector were astounded yesterday by the interim figures from Sears which posted a 71 per cent increase in pre-tax profits to £60.3m for the half year to July. It overcame the seasonal patterns which in recent years have led the UK group remorselessly to crank out a first-half surplus of about £35m.



For the most part, it is a story of heavily increased turnover in the stores coming through remarkably intact to the bottom line, so that the impact on profits is an impressive multiple of the growth in sales.

Footwear in the UK and Europe saw volume up by 6 or 7 per cent, with a better mix of products and better gross margins as well. A 16 per cent increase in sales thus came through as a 60 per cent jump in profits. In the U.S., where Butler Shoe had a very tough first half last year, the upswing was still more violent.

Only in the context of such a sparkling overall result could stockbrokers have been heard, as yesterday, muttering over a mere 74 per cent rise in the department store contribution. Sears has reached a point where it can shrug off mixed news like yesterday's from its vestigial engineering division. As an added bonus Sears was lucky on the race track, where the schizophrenic summer weather destroyed the form book, netting a £6m windfall for William Hill.

At yesterday's 83p, up 5½p, the shares have put on almost 50 per cent this year. But they may still be short of their full potential. Even if Sears keeps going as present trading suggests, to make £155m pre-tax by next January, the prospective multiple of about 13 on a 46 per cent tax charge still leaves the shares at a discount to the stores sector.

Currency options

Wall Street investment banks are no slouches when it comes to spotting gaps in markets, a fact presumably not lost on Sir Nicholas Goodison as he addressed the Stock Exchange faithful yesterday afternoon. For evidence of their ingenuity, he need have looked no further than the currency options market just introduced by Salomon Brothers.

Currency options are hardly a revolutionary new concept. They are traded through central markets in Philadelphia and Amsterdam. So far, however, the London traded options market – a natural home for this activity – has not extended its reach beyond equity options.

Salomon has now filled the gap by providing a market in currency warrants – or options – secured by its own parent company. The warrant entitles the holder to buy or sell sterling at a fixed rate against the dollar. Dealing costs will be higher than in the forward or futures market but the advantage to the holder is that his risk is limited to the value of the warrant.

There is no reason why Salomon should not extend the idea to sterling and dollar deposits or other interest-rate vehicles. Similarly, other currencies could easily be bolted on to the existing structure.

Salomon has set the life of the warrant at a year, to avoid direct competition with the established markets which trade mostly in three-month options, while appealing to clients seeking a long-term hedge. It has also pitched the minimum cost low enough to attract the punters.

Potential investors may be deterred by Salomon's privileged position as sole market-maker. But, whatever the outcome of the scheme, Salomon has certainly stolen a march on the London market.

Arthur Bell

Investment bankers with a thorough knowledge of the U.S. distribution industry must be assured of a warming welcome these days at Arthur Bell and Sons. The company's UK growth seems to have reached a ceiling but a foothold in the U.S. looks as elusive as ever.

Bell has held its UK market share at around 22 per cent in the second half of its financial year to June, after some deterioration in 1982, and appears to have edged its overall margins up for the year to achieve trading profits which may be eyed enviously by the rest of the UK whisky industry. Nevertheless, UK whisky revenues are fractionally down on 1981 despite higher prices and the jump in the group's total pre-tax profits from £27.8m to £31.3m has benefited from a £3.2m swing on the interest account as well as 13.8 per cent growth in export sales.

The message for Bell remains as before: as brand leader it is simply not able to defy the trends in a UK market still shrinking annually by 5 per cent. In the export market, by contrast Bell's marketing skills have overcome a general decline for the industry of much the same proportions in its latest year.

Acquisition of a domestic distributor remains Bell's key to the U.S., while in the UK its competitors continue to emulate Bell's successful emphasis on a premium brand: Distillers' reintroduction of its Johnnie Walker Red Label in this category seems bound to increase pressure from next month. The urgency of the U.S. move is easily exaggerated, perhaps – but silence on this front probably knocked the shares yesterday and they fell 8p to 135p despite a 19.3 per cent increase in the total dividend.

Christies

Gentlemen that they are, the directors of Christies were working hard yesterday to conceal any *schadenfreude* they may feel at the discomfiture of their arch-rival in the London fine art market. The figures for the six months to June, however, leave little doubt that Mr Taubman will have his work cut out recovering market.

Both the big auction houses have been enjoying a buoyant sales period and prices have recovered across the board. But the 46 per cent improvement in auction sales reported by Christies points also to a significant gain in market share.

Christies has steadily vacated the very bottom end of the market and, by limiting the number of auctions, has substantially improved revenues per sale. So, while the recovery in pre-tax profits from last year's depressed £1.1m to £4.1m may be heavily influenced by currency translation gains, it also owes something to the control of both fixed and variable costs. The shares rose 16p yesterday to 288p, providing a prospective yield of 4.4 per cent.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Wednesday October 5 1983

Canadian Tire stock returns to founders

By our Toronto Correspondent

A BRANCH of the founding family of Canadian Tire, a fast-growing Canadian retail hardware group, has retained control of the company following its purchase at auction of a 30.4 per cent stake in the voting shares.

At an auction held by the Ontario Securities Commission, Mr Alfred W. Billes, Mr David Billes, and Mrs Martha Gardiner-Billes, the children of the co-founder of the group, Mr A. Jackson Billes, aquired the 30.4 per cent stake at C$73 ($59.2) a share – a total payment of C$76.7m. This branch of the family now controls 60.8 per cent of the voting stock.

In making that purchase, the children beat an offer by their cousin, Mr Dixon Billes, the son of the other co-founder, Mr John William Billes.

The shares became available after a decision of the Supreme Court of Ontario earlier this year which ruled that 23 charities, who were beneficiaries of the estate of Mr John W. Billes, had a right to dispose of their stake. Mr Dixon Billes was an executor of this estate but not a beneficiary.

Imasco, the diversified Canadian tobacco group in which the British BAT Industries has a 45 per cent interest, indicated in June it was prepared to make an offer of C$75 a share for Canadian Tire if it could gain agreement of the management and the family shareholders.

That agreement was not forthcoming and Imasco dropped its approach. The purchase of the charities stake by the children of Mr A. Jackson Billes, effectively prevents the possibility of a new bid approach. Had Mr Dixon Billes been successful in buying the stake, analysts believed he might have been prepared to sell.

The voting shares amount to 24 per cent of the total equity in Canadian Tire.

Arms group moves toward break-even

By our Brussels Correspondent

THE FINANCIAL position of Fabrique Nationale Herstal (FN), the Belgian armaments and aeronautics manufacturer, is improving after a limp first half. The group expects to be near breakeven point at the end of 1983.

The improvement follows the resolution of invoicing difficulties which had prevented some customers from taking delivery of their orders.

FN said that its turnover for the year should be about BFr 23bn ($430.7m), fractionally higher than in 1982. In the first half turnover was 20 per cent lower than the group's targets at BFr 10bn. In the 1982 first half turnover was BFr 12.2bn.

Settlement of the invoicing difficulties is also allowing FN to run down some of its heavy stocks, and the hope remains that the stock level of BFr 11.8bn at the end of 1982 will be reduced by BFr 500m.

Amstar's board approves $428m leveraged buyout

BY TERRY DODSWORTH IN NEW YORK

KOHLBERG Kravis Roberts (KKR), the New York investment house, has emerged once again as the catalyst behind a major leveraged U.S. buy-out – this time of Amstar, the country's leading sugar refiner.

Amstar's board has approved the agreement, which values the group at almost $428m. Under the terms of the deal, KKR will establish a new private company and then buy out Amstar's shareholders in an all-cash bid of $47 a share, a premium of about $6 on reported book value.

Amstar's shares have traded between $23 and $33½ for most of this year, but have recently risen strongly to finish at $46 on their suspension on Monday, up $4¼ on the day. Simplicity Pattern, the clothing pattern designer, recently took a stake of around 10 per cent in the company at an average price of about $31½ a share.

KKR would not say yesterday how the buy-out would be financed, but the company typically operates by raising funds from banks and institutions. It added, however, that all the financing will be on an unsecured basis and that certain members of the Amstar management will have the opportunity to take a stake in the acquiring company.

Apart from its sugar cane refining activities, Amstar is a leading sugar beet processor and manufactures sweeteners from maize. It also distributes a range of industrial tools and technical equipment.

Because of its position as a commodity producer, the company's earnings have tended to be volatile, and net profits were virtually halved in the year to June at $22.4m against $40m. Its best year was 1981 when it achieved net profits of $83.4m. Analysts believe it is heading for a strong recovery in 1984.

KKR has recently been involved in a flurry of activity, including bids for Hyster, HMW, Wometco, and Rampac.

Bank offers remedy to Belgian malaise

BY PAUL CHEESERIGHT IN BRUSSELS

FURTHER INCREASES in net margins and a higher net return on stockholders' equity are urgently required to give Belgian companies a short-term chance of survival and a long-term opportunity for expansion.

This diagnosis of the Belgian corporate sector has been offered by Kredietbank, the third largest Belgian bank, in its latest analysis of company profitability.

The bank's survey found an expected increase in company profitability based on the results of 1982, but performance was patchy and the healthiest part of the economy was public utility companies.

"Despite the unmistakable improvement of corporate results, the net profitability of companies as a whole and certainly of industrial enterprises remained very low, the more so as the net return of stockholders' equity was calculated on equity which grew ever smaller as the years passed," said Kredietbank.

So what happened last year is only the first step towards nursing Belgian industry back to health after a period when its competitivity has declined.

Since the beginning of last year, the Government has adopted policies designed to restore confidence. This has worked to the extent that the Brussels bourse has seen a string of share issues in response to the offer of tax concessions for newly raised capital.

At the end of last week, the Government took a further step along this road, deciding that it would not scrutinise the source of hidden funds brought out for new investment, and stripping investment income tax assessments away from personal income assessments.

Such measures have increased corporate optimism, while the devaluation of the Belgian franc and a virtual wages standstill have helped companies increase turnover. But, as Kredietbank noted, companies have been getting the benefit of higher prices rather than higher sales.

Kredietbank remains concerned about the excessive share of debt in financing company expansion, when seen against the weak financial structure of many companies with a narrow equity base. Although there is more money available now for investment, the priority is to reduce company debt burdens, Kredietbank said.

Sulzer expects deficit

BY JOHN WICKS IN ZURICH

SULZER BROTHERS, the Swiss engineering company, is expecting its first loss since the depression years of the mid-1930s.

Mr Pierre Borgeaud, the company's management chairman, is reported as saying that "unless a miracle happens, we shall be unable to report a balanced result."

In April, Sulzer announced a decline in group earnings from SwFr 32m to SwFr 30m ($14.15m) and a fall in parent-company net profits from SwFr 27.2m. The shareholders' meeting agreed to reduce the 1982 dividend from 10 to 8 per cent, and Mr Borgeaud forecast that this year's results would be worse.

Apple cuts workforce to halt cost climb

By Louise Kehoe in San Francisco

APPLE COMPUTER, once the fastest growing company in the U.S., is cutting its workforce to save costs. The personal computer manufacturer confirmed yesterday that 270 workers at its major production plant in Carrollton, Texas, have been laid off.

Jobs at the plant will be cut by 40 per cent this month. Most of the layoffs involved "temporary" workers hired to meet a surge in demand for the Apple II earlier in the year, the company said.

The cuts leave about 400 employees in a three-building complex on some 21 acres of land. Apple had previously projected employment levels of 1,000 to 1,200 at the site for this year.

The lay-offs reflect "flat sales of Apple's IIE personal computer as well as its recent decision to cease manufacture of disk drive data storage units."

Apple announced last week that it expected earnings for the quarter ending September 30 to be significantly lower than in the same period last year.

Apple, like other personal computer makers, has been severely affected by increasing competition in the market for low cost computers. In particular, Apple's position as the leading supplier of personal computers is being threatened by IBM's new domination of the market.

Brinkmann hit by German cigarette war

By John Davies in Frankfurt

MARTIN BRINKMANN, the West German subsidiary of Rothmans, expects results this year to be severely influenced by the continuing price war in the local tobacco and cigarette market.

Brinkmann broke even on sales of DM 2.71bn ($1.03bn) in the 12 months to March 31 and omitted a dividend. In the previous year it reported a DM 16.4m net surplus on sales of DM 2.70bn and paid an 8 per cent dividend.

The total West German cigarette market declined by 14.9 per cent during Brinkmann's last financial year, with a drastic 24 per cent drop in the few months after tobacco tax was raised. The tax increase, plus a surge in sales of cheap "white" or "no-name" packs made by small companies, touched off a cut-throat price war between the major manufacturers.

Brinkmann sold 15.3bn cigarettes in West Germany last financial year; down from 21bn the year before. It kept its third position in the market, but its share fell from 16.4 per cent to 14.1 per cent. It also sold a slightly increased total of 6.5bn cigarettes abroad.

Its domestic sales of fine-cut tobacco rose to 5,800 tonnes, from 4,100 tonnes, but its market share fell from 33.5 per cent to 28.8 per cent.

NEW SCOPE IN HIGH TECHNOLOGY

Wide-ranging rescue package for embattled Creusot-Loire

BY DAVID MARSH IN PARIS

CREUSOT-LOIRE, the embattled French private-sector engineering group, has been given a "new chance" to regroup its activities in high-technology sectors as a result of the wide-ranging rescue package announced on Monday, its chairman, M Didier Pineau-Valencienne, said yesterday.

Speaking at a press conference to give details of the restructuring plan, which involves selling part of its steel and nuclear operations to state-backed groups, M Pineau-Valencienne revealed that Creusot-Loire was heading for a loss of well over FFr 1bn ($125m) this year, after a deficit of FFr 670m last year.

The figure may change because of the rescue package, but before it was agreed the group looked likely to lose between FFr 1.25 and FFr 1.4bn in 1983, he said.

Creusot-Loire, which is to raise a total of FFr 6bn from various sources over the next three to four years to finance its restructuring, aims to return to equilibrium progressively from 1984 onwards, he said.

The FFr 6bn mainly comprises the proceeds of sales of steel plants to the two state groups Usinor and Sacilor, transfer to the French Atomic Energy Agency (CEA) of 20 per cent of Creusot-Loire's stake in nuclear reactor company Framatome, loans from French banks and government agencies, a share capital increase and a convertible bond issue.

The figure is FFr 1bn higher than the FFr 5bn indicated when the deal was announced on Monday night because it also includes proceeds of other asset sales by Creusot-Loire.

M Pineau-Valencienne made clear that Creusot-Loire was having to dig deep to finance part of the rescue package itself, since the total fell short of the overall FFr 7bn the group was seeking.

The additional asset sales the company would be making included property disposals and sales of industrial participations which Creusot-Loire would really prefer to keep, he said.

He also revealed that Schneider, a key holding company in the Empain-Schneider empire which controls Creusot-Loire, would also be forced to make asset sales to help finance its share in the rescue package.

As part of the company's break-even objectives, job losses, already planned at between 4,000 and 4,500 up to 1986, would have to be increased further. Without these, he said, Creusot-Loire would still be in the red in 1984 and 1985.

Although the rescue package still left Creusot-Loire with some steel activities, M Pineau-Valencienne said that these were not now part of the key strategic interests of the group.

Creusot-Loire was no longer a steel company, but a heavy engineering group, with an unusually high 65 per cent export share in total sales, he said. It would now be concentrating on high-technology energy and transport sectors including the French nuclear energy programme, hydroelectric power equipment and activities in high-speed train and metro links.

Dome debt repayment deferred

BY NICHOLAS HIRST IN TORONTO

DOME Petroleum's Canadian and foreign lenders have agreed to defer repayment of about C$2bn of its C$6.3bn (U.S.$5.11bn) of debt until January 2 next year.

Since early this year, Dome's repayments have been extended on a monthly basis. Sources within Dome's banks and the company said the new extension for three months reflected an easing of concern over the company's troubled financial position now that a new chairman and chief executive and president had been appointed.

Mr Howard Macdonald, formerly group treasurer of Royal Dutch Shell, and Mr John Beddome, formerly Dome's chief operating officer, took up their respective positions as chairman and president of Dome on October 1.

The troubled Calgary-based group agreed a C$1bn rescue package with its four main Canadian lenders and the Canadian federal Government in September last year. Since then, as interest rates have fallen and the oil and gas business in Canada has improved, Dome has been attempting to improve the terms of the original proposals and avoid a massive dilution of its shares.

The federal Government has indicated that if the company could manage without the C$500m injection it was prepared to put into the company it would be pleased to see a new deal negotiated. Bankers, however, have waited for the appointment of a new management team before finalising negotiations.

Dome is expected to prepare a new package involving an issue of its shares on stock markets, a sale of assets and a rescheduling of its debt. But bankers remain doubtful whether negotiations can be concluded by the end of the year. A further extension of its debt repayments, therefore, is possible.

In the first six months of the year Dome lost C$79m.

Swedish banks set for records

By David Brown in Stockholm

TWO OF Sweden's three largest commercial banks, the privately-owned Svenska Handelsbanken (SHB) and the state-owned PKBanken have reported significantly higher profits for the first eight months to August.

SHB's pre-tax operating profit, climbed 53 per cent to SKr 1.05bn ($134.4m) with consolidated pre-tax operating profit up by 39 per cent to SKr 1.2bn. The full-year earnings prospect was dependent on government credit market policies, the report stated, but would be higher than the SKr 1.2bn achieved in full-year 1982.

Net interest fee and commission income was up by 32 per cent, to SKr 2.2bn, over the corresponding period a year earlier, with costs climbing 15 per cent to SKr 948m. The placement margin increased from 2.04 per cent to 2.35 per cent.

Provisions for credit losses were SKr 157m, compared with SKr 162m for the eight months last year.

SHB said it had received all necessary approvals to open its new wholly owned merchant banking operation in London, Svenska International, with an initial capitalisation of SKr 175m.

Group pre-tax operating profit rose 48 per cent to SKr 887m.

The bank is predicting a full-year, pre-tax result of SKr 1.2bn to SKr 1.3bn, which corresponds to a pre-tax return on equity (including non-taxed reserves) of 21 per cent despite higher money market rates and a tighter official credit policy. This will enable the bank to build up its equity capital in line with the increase in its balance sheet, the interim report says.

Net interest, fee and commission income rose 28 per cent to SKr 2.1bn, while costs grew 16 per cent to SKr 1.2bn. Both deposits and lending were up and the bank's placement margin climbed from 2.35 per cent to 2.62 per cent.

Esquire turns over a new leaf

Andrew Baxter in London reports on the changing face of Esquire, a company once famous for a men's magazine but which now publishes very different textbooks. Its owner today is Mr Clay Felker (left).

ESQUIRE INC., the New York company once famous for the "magazine for men" that gave it its name, is close to completing a radical transformation into an educational publishing and communications concern with such wholesome titles as Yang-Xun the Peasant Painter and First Division Band Method.

The magazine, founded in the 1930s, brought its owners years of fat profits, and, no doubt, prompted less broad-minded readers to fits of apoplexy during a mildly risqué phase in the 1950s.

By the mid-1970s, however, it was more of a literary magazine – and a lossmaker to boot – and in 1977 was sold jointly to publisher Clay Felker and Associated Newspapers, publisher of Britain's Daily Mail national newspaper and other newspapers and magazines.

The sale, said Forbes magazine at the time, was the best news Esquire's stockholders had had in years. Mr Bernard Krauss, who became president three months before the deal and was visiting London earlier last month, concurs. "The magazine business can run through money faster than any business I've ever experienced," he said.

At the time Esquire was still widely viewed as a single-product company, and even close friends of top executives were reported to have asked them what they would do next. In fact, the company had started diversifying long before.

The first move came during the Second World War with the founding of a films-for-schools company. But diversification did not really get under way until the acquisition in 1960 of a lighting products company. Even then, says Mr Krauss, the magazine business was showing sign of weakness.

The next stage came at the end of the decade, "when our stock increased in value and we were able to use that for acquisition purposes." The result was a move into educational publishing, with the purchase of companies producing school textbooks and workbooks.

By 1974, Esquire magazine accounted for less than 20 per cent of the parent company sales. Its sale – for $1m of preferred stock and "several million dollars" of subscription liabilities was followed in 1979 by the disposal of Gentlemen's Quarterly, the company's second magazine. It was not until this period, Mr Krauss says, that the company's present strategy became clear.

The acquisition in 1979 of Belwin-Mills, the largest U.S. publisher of educational music, and in 1981 of Allyn and Bacon, which provided access to college and professional publishing, marked Esquire's expansion into new areas of educational publishing. The films company, Coronet, has expanded outside its traditional school market into business and health care.

But the company, at least when viewed from Wall Street, still had an image problem – so much so that it was often saddled with the less-than-flattering "mini-conglomerate" label. The sale this year of the lighting division for $27m and the nearly complete sale of two television stations should put paid to that.

Mr Krauss indicated that the money raised would most probably be used for further acquisitions in the company's main line of business. Another option, if the opportunity arose, would be to buy out Gulf & Western's 27 per cent stake

Esquire this year emphasised its metamorphosis by regrouping its interests into a single business. However, with revenues on continuing operations of $107.8m in the year to March 31 1983. Esquire is still a small company in an industry dominated by larger concerns such as McGraw-Hill and Harcourt Brace Jovanovich.

But Mr Krauss points out that Esquire's five-year compounded growth in earnings per share – 24 per cent – beats the major competitors. Net earnings this year are forecast at $2.35 to $2.50, against $1.80 last year.

Mr Krauss sees room for growth in all the markets where Esquire is active, but also hopes to make a mark in educational video and training films. International activities are expected to provide the biggest boost to the music side: Esquire already has a Belwin-Mills subsidiary in Croydon, England, and sells music worldwide.

Domestically, however, a vital factor for Esquire and its competitors has been the resurgence of national concern over educational standards. Mr Alan Bernstein, analyst at Argus Research, says Esquire's long-term prospects are tied to the overall level of education spending.

He points out, however, that concerns over standards, as shown by a National Committees on Excellence in Education report noting the "rising tide of mediocrity" in U.S. schools, have not yet been translated into extra spending.

Peter Bruce on the Japanese expansion of seamless pipe capacity

Sumitomo sees a Chinese solution

THERE is a thin divide between reasoned optimism and blind faith among Japanese steelmakers. Which other steel industry is still building seamless pipe mills in the face of the worst ever slump in demand for the product?

Nippon Steel, Sumitomo Metals, Kawasaki Steel, and Nippon Kokan are all spending money on expanding seamless pipe capacity or building new mills despite the fact that seamless pipe sells today for about $450 a tonne, well below cost, compared with $1,400 less than two years ago. No short term recovery is in sight and there is certainly little hope of the top prices ever being seen again. Heads are believed to have rolled.

Except at Sumitomo, that is, where Mr Yoshifumi Kumagai, president and chief executive, argues that, even with the benefit of hindsight, seamless expansion at both the company's Wakayama and Kainan works would have gone ahead.

"We're different," explains Mr Kumagai. "We've been in seamless for years and our mills are old." While that excuse may set Sumitomo, the world's biggest pipe and tube producer, apart from the domestic competition, it seems that nothing now will prevent it ending the 1983-84 fiscal year in the red for the first time in at least 20 years.

The company's president admitted last week that he had abandoned hopes of holding recurrent losses below Y10bn ($42.5m) in the first six months. Analysts in Tokyo believe that, at best, Sumitomo will break even in the second half.

Pipe and tube are crucial to Sumitomo. The company notched up a record profit of Y106bn as recently as 1981, despite a fall in its total crude steel output from 12.2m tonnes in 1980 to 11.5m tonnes. Sales of sheet and plate also fell, from Y489bn to Y449bn, and bar and wire rod sales from Y119bn to Y103bn.

There were further declines in sales of flat and long products last year but pipe and tube sales, abetted by an undervalued currency, rose nearly 30 per cent, from Y470bn in 1980 to Y667.7bn. In fact Sumitomo officials attribute the company's entire profit in 1982 to seamless pipe, which, by January last year, was at $1,400 a tonne on the open market netting margins of about 80 per cent.

The collapse of the market for seamless pipe, used principally as drill pipe and casing in the oil and gas industry, was a direct result of the softening of world oil prices. If Sumitomo does manage to scramble back to breakeven point by the end of next March, it will have been all down to the Chinese, who are now beginning to place massive orders for Japanese steel as their oil exploration and distribution programme moves into top gear.

In 1982 China bought 2.9m tonnes of steel from Japan, to double its share of Japanese steel exports to 10 per cent. In the first half of 1983 alone, Japanese exports to China reached 3.3m tonnes and a further 2.5m tonnes are expected to be bought in the last six months of the year. About 10 per cent of the Chinese purchases this year will consist of seamless pipe and the Japanese industry believes that Peking could maintain orders at this level, or higher, for about five years.

Mr Yoshifumi Kumagai, Sumitomo president and chief executive

The big Japanese producers have clubbed together to bid for the Chinese trade. But because Sumitomo's new seamless facilities, particularly the Y30bn mill at Kainan, are already on stream Mr Kumagai could reasonably expect to take the bulk of the seamless component of the Chinese exports and get a fair crack with the company's "bread and butter" product, large diameter welded, line pipe.

The China trade will, undoubtedly, help Sumitomo run its main tube works at reasonable volume, yet it seems highly unlikely that Peking is going to offer the Japanese better terms than they could get elsewhere. Most producers are barely covering costs on seamless and even West Germany's Mannesmann has been shipping pipe to China.

Sumitomo management nevertheless, hopes that the company's fortunes have reached a watershed of sorts. "Fiscal 1983 will be our toughest year," Mr Kumagai predicted in July. "But if you are going to manage a steel company believing that demand will return to what it was five years ago then you would be wrong. We can avoid decline if we can avoid the practice of going after volume and go for quality instead."

The company wants to raise the contributions of its non-steel business to group profits from around 5 per cent last year to 15 per cent in the next 10 years. Sumitomo has been able to make some headway into titanium, carbon fibres, ceramics, electronics and, through its own steel production research, coal and gas liquefaction which management hopes may extend Sumitomo's reach into chemicals.

But if as seems quite possible the company finds itself as firmly rooted in the steel business in 1993 as it is now, its commitment to investment in researching and producing quality steels may pay off far more handsomely than diversification.

Sanko Steamship boosts capital

BY OUR FINANCIAL STAFF

SANKO STEAMSHIP, one of the world's largest shipping groups in terms of vessels operated, is carrying out a Y32.2bn ($136m) capital increase in the form of an allocation of shares to some 48 companies with which it has business relations. The company is issuing 140m Y50 nominal shares at Y230 apiece, with payment due on October 25, taking its equity capital up to Y68.5bn.

The capital increase follows an extensive restructuring of Sanko's fleet and finances last spring, when the company announced that it would halve its fleet to 130 ships over the next two years and carry out an ambitious programme to replace older vessels through a mixture of charters and new buildings.

The group's fleet of 250 vessels at the end of September 1982 was heavily concentrated in tankers, which then accounted for two-thirds of its total tonnage. Its restructuring plans include the reduction of the fleet by a total of some 12m dwt, with a strong shift of emphasis away from tankers.

Sanko's plans for reshaping its fleet towards small to medium-sized bulk carriers have been taken as a highly positive development by Japan's hard-pressed shipbuilding industry. Major shipbuilders are among the companies to have taken up part of Sanko's new capital increase.

Reuter adds from Tokyo: Nippon Steel has set up a wholly-owned shipping company, Nippon Steel Shipping, to transport raw materials, particularly coking coal and iron ore.

Wheelock Maritime in the red

HONG KONG — Wheelock Maritime International, the shipping offshoot of Wheelock Marden group, swung from an HK$11.7m profit to a HK$11.4m (US$1.3m) net loss, after minorities and an extraordinary gain, in the six months to June. This was equivalent to a 19 HK cents loss, against a 19.5 HK cents profits, on the A shares, and the interim dividends are being passed on both classes of shares. Last time 5 cents was paid on A shares.

At the pre-tax level profit dipped HK$2.95m to HK$18.54m, before share of associate losses up from HK$8.32m to HK$24.45m. The company was also hit by a HK$11.03m exchange loss, compared with HK$8.23m, in the previous first half. But this was more than offset by an extraordinary profit of HK$14.51m, against HK$12.29m, on the sale of interest in Wheelock Marden and Stewart Limited and the sale of two ships.

The company says the existing availability of tonnage makes it unlikely that there will be a meaningful improvement in the shipping market in the short term.

Reuter

Profits plunge at Burns Philp

SYDNEY — Australia-based South Pacific trader and retailer group Burns Philp and Co. reported a 46 per cent drop in earnings for 1982-83 but said major adverse impacts on the results were non-recurring.

Losses by subsidiaries Burns Philp (PNG) and Hanimex contributed to the setback. The results include an A$3.6m (US$3.2m) abnormal loss from the group's rationalisation programme.

In the year ended June 30 Burns Philp earned net profit of A$5.32m, against A$9.91m last time. Earnings per share fell from 15 cents to 8 cents, although turnover edged ahead from A$1.17bn to A$1.19bn.

Reuter

Air India expects further big increase in earnings

BY R.C. MURTHY IN BOMBAY

AIR-INDIA has made a profit of Rs 175.5m ($17.2m) in the four months April-July 1983.

On this basis, the profit for the year to March 1984 is expected to exceed the projected Rs 500m, lifting its profits by 40 per cent over last year. Profits trebled to Rs 377.5m (Rs 103.6m) in 1982-83.

Mr Raghu Raj, chairman, says an increase is expected in passenger traffic in August, helped by the flow of tourist traffic from India to Europe and North America.

Passenger load factor dropped to 64.9 per cent in 1982-83 (ended March 31) from 66.9 per cent the previous year. But profits rose strongly for three reasons.

First, undercutting in air fares in south Asia was halted last year by an agreement among the airlines operating in the region.

Second, fuel-efficient twin-engined Airbuses were introduced in place of fuel-guzzling, ageing Boeing 707s.

Third, world oil prices fell. The airline's fuel bill rose only 4.2 per cent to Rs 2.28bn despite the addition of two Airbuses to the fleet.

Total revenue of Air-India last year rose 15.8 per cent to Rs 7.2bn.

INTL. COMPANIES & FINANCE

Hennessy extols the Allied Corporation strategy to investors

BY PAUL BETTS

FOR A MAN who says all he wants is to keep his name out of the newspapers, Edward Hennessy has a remarkable record of holding the headlines. The chairman of Allied Corporation won international recognition as a corporate takeover specialist when he emerged the winning poker player in the extraordinary battle for ownership of Bendix.

Now, Hennessy, who once trained for the priesthood, is seeking to spread the word about the impact Bendix, the flamboyant, Detroit-based aerospace and automotive group, is having on Allied, the sedate New Jersey chemicals and energy company he has been shaking up during the past four years.

Hennessy claims Allied's $1.8bn acquisition of Bendix last autumn has been misunderstood. "It is absurd," he says, "to think we threw all our strategies to the winds." Bendix has transformed Allied into a $10bn group in terms of annual sales, he argues, doing what might have taken 10 years to achieve. "With Bendix we now have basically four major core businesses."

It took time for the message he has been spreading with missionary zeal to sink in on Wall Street. Wall Street, says Hennessy, woke up to what was happening at Allied only after he and some of his senior executives addressed financial analysts. Despite an underlying bull market, Allied's share price had been $35 and under. After Hennessy's address to analysts in February, it rose to $40 and after a second meeting to $46. It has lately been around $57.

Hennessy too: charge at Allied in 1979, after working with two master conglomerate builders: first with Harold Geneen of International Telephone and Telegraph, and then with Harold Gray of United Technologies. Allied was then a $4bn turnover company, with half its revenues coming from chemicals, and the other half from oil and gas. About 85 per cent of profits came from oil and gas. Now this side accounts for less than 50 per cent, "and if you add Bendix it will be roughly 40 per cent," says Hennessy.

After disposing of assets such as a loss-making coal and coke business and a gas pipeline in Louisiana, Hennessy launched into acquisitions in sectors he expected to grow rapidly, such as the electrical and electronics and the health and scientific products. But the acquisition of Bendix, giving Allied a major base in the aerospace industry and in the international automotive components business, altered its corporate character in a way the acquisitions of Eltra and Bunker Ramo in the electrical and electronics sector, and of Fisher Scientific in the health field, had not.

Hennessy says he had eyed Bendix several years ago: "We had a lot of automotive products in the plastics area and a seat belt business, but we knew Bill Agee (Bendix's chairman) did not want to sell out. And quite frankly, unfriendly tenders were not our game." But when Bendix went after Martin Marietta, the aerospace and defence company, and then found itself in trouble as Martin Marietta fought back and enlisted the support of United Technologies, Hennessy got in touch with Bill Agee again.

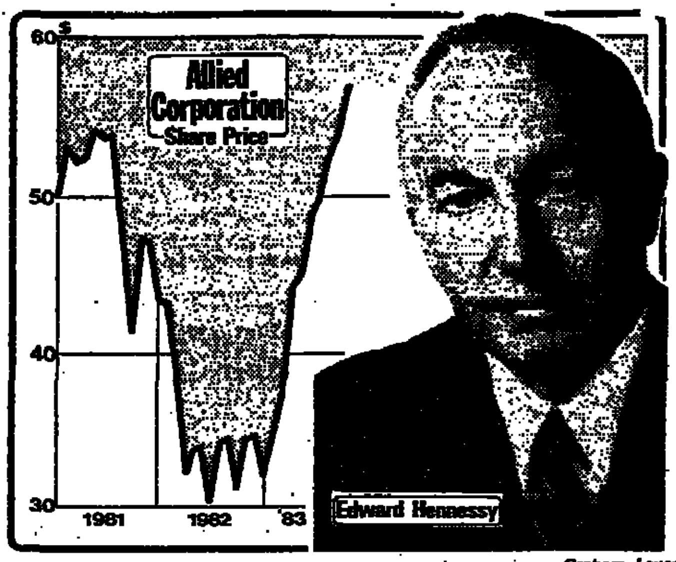
Bendix's debts

"We did not borrow one thin dime to buy Bendix," says Hennessy. But, Allied had to absorb Bendix's debts.

The company had set a target of cutting debt by $300m in the first quarter, but in the event whittled it down by $450m to $1.55bn, excluding $129m from the sale of the 7 per cent interest Bendix had accumulated in RCA, the communications and electronics conglomerate.

Moreover, Hennessy expects Martin Marietta to buy back before the end of this year the 33 per cent stake that came to Allied with the Bendix takeover. There is an agreement for Martin Marietta to pay Allied about $860m for the shares if the deal is done by the end of the year.

Critics who say Allied paid too much for Bendix are answered that the $1.8bn paid included a $300m investment in Martin Marietta and more than $100m in RCA, plus $100m, in other assets, bringing the price down to $1.3bn.



Graham Lever

Moreover, through the automotive components business, the purchase gave Allied an international presence it lacked. In Europe alone, Allied now employs some 18,000 people.

Hennessy has revamped Allied along the broad management model of General Electric, establishing in Allied's case five sectors, and wants to delegate more authority to them severally.

Bendix's automotive business together with the aerospace should generate more than $300m in pre-tax earnings this year, he says. The oil and gas business is expected to make about $350m, while the chemicals, plastics and fibres business can produce $300m in a good year, it is claimed.

Allied last year reported net profits of $272m on sales of $6.2bn. First half net profit this year was $224m, on a new accounting method, on sales of $5.2bn, against $5.3bn the previous first half, after adjusting for Bendix.

The new technology and health products businesses are not expected to make a strong profit contribution to Allied for a long time, but says Hennessy: "We will be making other acquisitions in this field," with a view to building it up to annual turnover of $2bn, in line with the view of not allowing any single sector to overshadow the others.

While Bendix has broadened Allied's overall assets mix, the company is going forward with the strategies Hennessy developed for the group's traditional chemicals and oil and gas businesses. "What we are trying to do in the chemicals fibres and plastics group is to get into specialities," he says.

Although the aim has been to reduce dependence on oil and gas earnings, Hennessy has made acquisitions to build up the company's U.S. reserves of oil and gas. Allied's two principal properties are in the North Sea and Indonesia.

Hennessy sees three basic areas for further spending:

- Research and Development, where the addition of Bendix has doubled annual outlays to $400m, from the $50m of four years ago;
- Oil and gas, in which "We are doubling our exploration dollars;"
- Acquisitions, though Hennessy acknowledges that it is highly unlikely Allied will make another purchase on the Bendix scale.

One of the biggest tasks Allied has faced has been to merge its people and operations with those of Bendix. After the fierce takeover battle between Bendix and Martin Marietta, morale among Bendix people was very low. But after the controversial Bill Agee resigned as president (he had become president after Bendix merged with Allied) and Hennessy's long-term strategy was confirmed, the Bendix management appears to have been reassured.

Hennessy also did away this year with "golden parachutes" at Allied. These are the special contracts a large number of U.S. companies give their senior executives against the event of their losing their jobs as a result of takeover.

Although, Hennessy says his shareholders never complained about them, the media made such a fuss that he decided to scrap them. Mr Agee, however, will still get his "parachute." He is expected to receive a cool $4m for resigning his executive positions as chairman of Bendix and president of Allied.

UK COMPANY NEWS

Arthur Bell pays more from higher profit

SECOND HALF profits of £13.7m are reported by Arthur Bell & Sons, Scotch whisky distiller. This compares with £12.72m for the corresponding period and brings the pre-tax total for the year ended June 30, 1983 to £31.27m, against £27.6m in 1981-82.

Basic earnings are shown to be up from 14.94p to 18.62p and fully diluted up from 13.41p to 16.59p. On capital increased by the 3-for-5 scrip issue, the final dividend is 2.85p to make an effective total of 4.1p, against 3.44p previously.

In the current half year to December 31 1983 indications are that the group profit before tax will be in the order of the £17.56m achieved in the comparable period of 1982, and the Scotch whisky division is expected to account for not less than £17.45m of this.

For 1982-83 external sales came to £246.72m (£245.6m) and profits before tax to £31.27m (£27.6m) and were split as to:—whisky £224.28m (£220.74m) and £32.48m (£27.14m); glass container £27.27m (£29.72m) and loss £1.22m (profit £307,000); transport £5.74m (£5.16m) and £2,000 (£165,000).

On the whisky side home sales turnover was £187.14m, compared with £188.11m reported last year. Mr R. C. Miquel, chairman, says market share was maintained during the year with Bell's staying the clear market leader. The Real Mackenzie, the Bell Decanters and Highland Malt also achieved significant sales levels in a very competitive market.

The changes in the home sales management structure which have taken place over the past few years have strengthened the company and enabled Bell's to consolidate its leading position in the UK.

Export turnover at £37.14m was significantly ahead of the £32.63m achieved in 1981-82. Bell's continued to gain market share in a wide range of countries throughout the world. South Africa and Australia achieved good sales growth and in the European market sales were particularly strong in France, Holland, Greece and Spain. Higher sales to Duty Free shops continued their growth pattern. All the company's export sales have been made with a reasonable margin of profit, says Mr Miquel.

In the U.S. the directors are still looking for a suitable acquisition which will enable Bell's to obtain a direct presence in the important Scotch whisky market. Some progress is being made.

Output from the company's four Highland Malt distilleries totalled 12.1m litres of alcohol in the year, a similar level to that of 1981-82. In March, Bell's bought Bladnoch Distillery which will help to secure its future requirement for Lowland Malt whisky.

The Distillery has been closed for the past two years, but has been brought up to Bell's standards and should recommence distilling in the middle of this month. Meantime, the warehousing facility capacity of 5m litres of alcohol is being utilised by the company.

Mr Miquel says current sales of Scotch whisky in the UK do not indicate that there is a growth situation. However, Bell's is maintaining its substantial share of the market. Progress continues to be made in export markets despite the fact that for a variety of reasons a number of countries have restricted the imports of Scotch whisky.

Turning to Canning Town Glass, the chairman says the loss included £171,000 redundancy costs, and was mainly the result of the disruption to production at the Queenborough factory brought about by modernisation. Benefits derived from improvements will ensure that the glass container division is in a strong position to capitalise on any upturn in the market. However, it is unlikely that Canning will make a profit in the current half-year.

In the transport division steps have been taken to eliminate some areas of Towmaster's activities which were unprofitable, and the company is expected to operate on a more profitable basis in the current six months.

After tax of £10.49m (£10.92m) the year's group net profit comes out at £20.78m (£16.68m). There is no longer a provision for deferred tax and so the charge for 1981-82 has been reduced by £1.03m to conform with this policy. Group reserves at July 1 1982 have been increased by £10.44m as a consequence of the tax release.

See Lex

James Halstead rises £0.47m and lifts payout to 3p

ALTHOUGH the James Halstead Group increased its pre-tax profits by £468,000 to a record £2.27m for the year to end-June, 1983 the profits momentum slowed in the second half when figures of £1.23m were recorded, compared with £1.19m previously.

Full year earnings emerged higher at 9.1p (7.64p restated) and a final dividend of 1.75p effectively lifts the net total from 2.4p to 3p per 10p share.

Turnover for the year advanced from £22.02m to £27.86m—the group has interests in PVC floor coverings, leisure products and waterproof clothing. It also operates coach/camping holidays in the South of France and Spain.

The directors say the current year has started well on mainstream activities, but losses sustained by the travel companies will adversely affect first half results.

They point out that Averoy Travel, the coach/camping subsidiary, had a difficult trading season due to severe competition and lack of volume. Wigwam, a car camping operation, was acquired in February this year. Its activities were complementary to those of Averoy and the directors say it represented an opportunity for increased volume while rationalising overheads.

The accounts of the travel companies have not yet been audited (the year-end for Averoy being September 30 and for Wigwam October 31) but the directors anticipate a loss in the region of £600,000 for the two companies as a whole.

They say action is being taken to deal with this situation.

Group pre-tax profits for the year under review were struck after deducting £119,261 (£94,638) for the employee profit sharing scheme. Tax charge rose from £754,602 to £1.01m to leave net profits of £1.25m, against £1.04m.

Extraordinary debits totalled £347,148 (£140,181) and mainly reflected reorganisation costs and good will written off.

Retained profits amounted to £485,391 (£568,488) after dividend payments of £420,086 (£334,769).

Net assets per share improved from 47p to 53p and borrowings as a percentage of shareholders' funds were reduced from 18 per cent to 15 per cent.

● comment

When Halstead started to move into leisure three years ago to lessen its exposure to floor coverings and motorcycle gear, it had no idea that the holiday trade would give it such a hard time. These figures include a loss of £200,000 from Averoy and Wigwam, with another £600,000 to come in the current year—a mark of the price war which has so afflicted the major tour operators. Meanwhile, Belstaff's profits were static, as operating efficiencies just compensated for a decline in demand due to the effect of unemployment on its young motorcycling customers. Belstaff has introduced a range of non-motorcycling foul weather clothing to fill the gap. That leaves the core floor covering operation to account for the 26 per cent increase in pre-tax profits; a rise which was entirely due to greater volumes, since prices and raw materials costs were unchanged. Halstead's balance sheet remains strong but the directors are adamant that no acquisitions are likely until the holiday companies are in the black. And next time, they will be staying away from service industries and sticking to areas within their manufacturing expertise. The shares fell 7p to 80p where the historic yield is over 5 per cent.

Elbar Ind. cuts first half loss by over £1m

Vehicle and agricultural machinery dealer Elbar Industrial cut losses for the first half of 1983 from £1.18m to £178,163. Turnover advanced by £2.57m to £36.32m.

With losses per share given as 3.9p (25.82p) the interim dividend is again being missed.

The directors say that although all divisions contributed to this improvement, it will take time for the full improvement of current reorganisation to show itself throughout the group.

They state that in a year that is likely to see record car registrations, the car, van and truck division produced turnover of £14.3m and operating profits of £277,000. The advantages of higher sales, however, will not be seen until the second half of the year.

The agricultural division produced turnover of £12.8m and an operating profit of £89,000. In the special products division all units were profitable with the exception of industrial engines (sales) where losses were reduced but not eliminated. The operating profit of this division was £231,000 on turnover of £9.2m.

Since June 30 property sales of £757,000 have been made which helped reduce the level of borrowings.

There was again no tax charge.

Christies up at £4m and sees record year

FOLLOWING a 40 per cent increase in auction sales, Christies International has produced a pre-tax profit almost four times higher at £4.13m against £1.12m for the six months to the end of June 1983. The directors predict an overall record for 1983.

The previous record was a pre-tax result of £7.04m in 1980.

The net interim dividend has been lifted from 2p to 2.5p — earnings per 10p share are shown sharply higher from 2.39p to 7.96p. In the last full year a total of 7p was paid from pre-tax profits of £3.19m.

At the annual meeting last May the directors said they expected interim results to show a significant increase over the first half of 1982.

Regeneration of confidence in the international art auction market which has been underway for some 12 months is continuing, say the directors. In every part of the world where this company operates, they say, there are encouraging signs of an upturn in business.

While forecasting results of auction sales can prove a hazardous occupation, the directors are confident that the company will have another good autumn season, resulting in an overall record for 1983.

For the period under review turnover expanded from £16.32m to £21.15m.

Group auction sales improved by 40 per cent from £85m to £119m — both figures are inclusive of buyer's premium. The generation of increased sales inevitably results in increased costs, but the group continues to give high priority to controlling expenditure. In the period under review the directors say that group expenditure, after allowing for variation in currency rates, has increased by just over 5 per cent.

At the operating level profits moved ahead sharply from £848,000 to £3.86m. Pre-tax results included interest receivable less payable of £265,000 (£274,000).

Tax increased from £630,000 to £2.47m. After minorities of £31,000 (£2,000) the attributable balance expanded from £490,000 to £1.63m.

To comply with SSAP 20, differences arising on the translation of the group's net investment in its overseas operations have been taken directly to reserves. Prior year profit figures have been adjusted to comply with SSAP 6.

See Lex

Watts Blake shortfall in opening period

PRE-TAX PROFITS at Watts, Blake, Bearne and Company for the first six months of 1983 fell short of an unusually good first half in 1982, but, say the directors, were significantly better than the second half of 1982—clearly indicating that profits are again improving.

First half profits of this extractor, processor and seller of ball and china clay, were down from £1.92m to £1.55m after depreciation of £1.07m compared with £1.04m. Gross external sales were £12.68m against £12.99m, with export and overseas trading contributing £9.1m (£9.56m).

The interim dividend is raised from 1.42p to 1.5p net—last year's total was 3.75p from pre-tax profits of £3.17m.

Tax for the half was down from £930,000 to £700,000 and there are estimated extraordinary debits this time of £80,000. On a notional tax rate earnings per 25p share were 4.49p (5.54p) and on an estimated tax rate, 5.14p (5.95p).

● comment

Watts, Blake, Bearne is tied closely to the general economic trends of Europe where it exports around 60 per cent of its UK ball clay output. So the first half drop in profits isn't that surprising. Market conditions were tight around the beginning of the year and the company could only manage a modest price increase. However the first quarter of 1983 could well represent the bottom of the trough: if the European recovery develops, demand for sanitary ware and household tiles—linked closely to housing starts—will feed through into demand for ball clay. There will be additional benefits accruing to WBB as demand should grow for its new high quality refined clay which carries a much greater profit margin. The group's German subsidiary has maintained its market share and is beginning to produce the higher quality clay its Devon parent is renowned for. With a good fourth quarter pre-tax profits could nudge past last year's figure to around £3.3m. The market seems to have anticipated worse interim results as shares rose 8p yesterday to 166p giving a prospective p/e ratio of about 17 fully taxed.

Clifford's Dairies up 20% midway

AN INCREASE of almost 20 per cent has been shown in pre-tax profits by Clifford's Dairies for the six months to the end of June 1983. The surplus moved ahead from £1.27m to £1.51m, helped, says Mr Dennis Randall, chairman, by the increase in milk margins from last November. However he says that this will be less significant in the second half.

The net interim dividend has been lifted from 1.8p to 2p—earnings per 25p share of this close company were shown as moving up from 8.94p to 9.92p.

In the last full year a total dividend of 5.4p was paid from pre-tax profits of £2.78m.

Turnover for the six months expanded from £29.97m to £32.47m. Sales of cream and other dairy products were healthy, says Mr Randall. Increased volumes were achieved in fruit juice, but it has been difficult to achieve adequate margins for much of this business.

The two major associates are trading well says Mr Randall. The interest in a spring water company has been disposed of as experience of a limited scale operation did not encourage the use of more resources.

Increased efficiency is vital, says Mr Randall, to maintaining a competitive edge in a market under assault from the continuing growth of carton sales in retail outlets, possible effects of imported milk, and the increasing numbers of farmers processing and marketing their own milk.

At the operating level profits moved up from £1.4m to £1.71m. Associates contributed £121,000 (£148,000). Interest payments moved ahead from £280,000 to £327,000.

Tax came to £302,000 (£180,000). Extraordinary credits added £184,000 (£39,000) after which the attributable balance emerged up from £1.13m to £1.39m.

Cape Industries advances £1.45m

REDUCED INTEREST charges and sharply improved results by its building and insulation division enabled Cape Industries to lift its pre-tax profits by £1.45m to £3.43m for the opening half of 1983.

However, the decision to withdraw from the cavity wall installation market cost the group £1.35m (£182,000) in extraordinary charges and left available profits ahead by only £269,000 at £1.77m.

The directors warn that further extraordinary costs are likely to arise in the second six months and although it is impossible to estimate these costs with precision they are likely to be similar to those of the first half.

Earnings for the first six months totalled 10.4p (5.6p) and the interim dividend is held at 1.7p net per 25p share.

Turnover for the period declined from £113.9m to £108.95m but, at the trading level, profits pushed ahead by £1.11m to £5.41m—the group's inetrests are in fire protection, insulation and other building products, industrial insulation contracting and brake linings.

Pre-tax profits were after deducting interest charges of £1.98m (£2.32m), unallocated central expenses of £56,000 (£261,000) and compensation for industrial disease of £450,000 (£475,000). Included was a

● comment

Cape's shares have been piloted by emotion rather than hard-nosed analysis in recent years but that might just be changing. The company has undergone a substantial rerating this year and still the price of 130p stands on a prospective p/e of 6, assuming a fairly minimal tax charge. Asbestos remains a dirty word and for a group that was 60 per cent asbestos related in the mid-70s the transformation to get that figure down to 17 (it is still falling) has not been easy. Yet when it moved into cavity wall insulation five years ago it could not have foreseen that too would be making headlines as a possible health hazard. Whether founded or not the damage that was done to sales of ureaformaldehyde based foam insulation was real enough. A business that once made £600,000 profit a year turned in a half-time loss of £400,000 and is being closed. So the costly process of reorganising Cape goes on. The second half extraordinary items will have nothing to do with foam insulation, the tale behind that particular figure is yet to be told. Does the picture justify a continued rise in the price? Probably not, for while profits will recover to £7m this year, that is hardly exciting against nearly £14m for 1976.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
A. Beckman	3.78	Jan 10	3.78	5.73	5.73
Arthur Bell	2.85	Dec 5	2.38*	4.1*	3.44*
British Syphon ......int	Nil	—	0.5	—	0.5
Cape Industries ......int	1.7	Jan 4	1.7	—	5.6
Christies ......int	2.5	Nov 24	2	—	7
Clifford Dairies ......int	2	Nov 4	1.8	—	5.4
James Halstead	1.75	Dec 9	1.4*	3	2.4*
Kwahu	1.25	Dec 3	1	1.25	1
Raine Industries	0.47	Dec 2	0.3	0.64	0.4
Sears Holdings ......int	0.7	Dec 5	0.47*	—	1.88*
Silentnight ......int	1	—	1	—	2.5
Somportex	1	—	1.5	1	1.5
Watts, Blake ......int	1.5	Nov 28	1.42	—	3.75

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On caiptal increased by rights and/or acquisition issues. ‡ USM stock.

Lister better trend

A RETURN to profits in the second half has enabled Lister and Company, textile maker, to restrict its loss to £272,000 for the year ended March 26 1983, compared with a profit of £100,000 for the previous year.

At halfway, the group had incurred a loss of £319,000, compared with a profit of £9,000.

The directors report that indications are more favourable than they have been for some time. The group makes velvets, simulated furs, suitings, and home furnishings, and is engaged in spinning, dyeing and finishing.

Loss per share is shown at 2.29p (earnings 0.56p) and the dividend is held at 0.1p net.

For the year turnover rose from £30.36m to £32.69m, and there was a trading profit of £1.45m (£1.96m). After tax £79,000 (credit £18,000), exchange gain £33,000 (loss £15,000), extraordinary charges £13,000 (credit £194,000), and minorities £5,000 (same), the attributable loss works out at £336,000 (profit £292,000).

Somportex Holdings

Pre-tax losses at Somportex Holdings increased from £64,801 to £396,055 in the year to April 30 1983. Turnover of this distributor of confectionery, groceries and delicatessen products, fell from £7.6m to £4.64m, and the directors say about one-third of the fall is accounted for by the sale of Andrew Buchanan and Sons in April 1982.

The dividend is cut from 1.5p to 1p net, but the cost of this is more than halved through waivers. Although they say it is too early to say that the company will be in profit in the current year, the directors expect much improved figures on those now reported.

There was a loss per 25p share of 10.38p (2.03p).

UK COMPANY NEWS

71% midway rise at Sears Holdings

RECORD FIGURES have been achieved by the Sears Holdings group in the six months ended July 31 1983. Turnover has advanced by £110m to £857m, and the profit before tax has shot up from £35.2m to £60.3m, equal to a 71 per cent increase.

In view of the "excellent results," the directors are lifting the interim dividend from the equivalent of 0.47p to 0.7p net. But this should not be taken as an indication of the likely final—equal to 1.4p last year.

Mr Leonard Sainer, chairman, says the profit increase reflects the strength of the group and its ability to respond vigorously in a favourable trading climate. Throughout the half-year, consumer spending has been buoyant both in Europe and in the U.S. and this, coupled with the provision of quality merchandise at competitive prices, enabled the group to trade most satisfactorily.

The group is also starting to reap the benefits of updating and refurbishing the stores and multiple branches. The weather assisted trade generally and particularly helped William Hill (bookmakers) to show an exceptional result.

The second half has started favourably and the autumn ranges of fashion clothing and footwear are selling well, says the chairman. But the last three months of the year are the most important, he stresses, and at this stage the outcome for the full year cannot be forecast.

Trading profit for the year rose from £34.8m to £59.7m, as shown in the table.

	Half year 1983 £m	1982 £m
Turnover	857.0	747.0
Trading profit	59.7	34.8
Footwear retailers	32.8	19.5
Dept. strs., jewellery	8.0	2.9
Motor vehicles	4.5	4.3
Betting offices	8.7	2.8
Property development	5.6	4.4
Engineering	0.3	0.9
Associate profits	0.6	0.8
Interest paid	1.0	2.0
Non-trading credits	1.0	1.8
Profit before tax	60.3	35.2
Taxation	26.0	14.5
Minority	0.3	0.3
Attrib. Sears Hldgs. plc	34.0	20.4
Pref. dividend	0.1	0.1

Earnings come out at 2.5p, compared with 1.5p, per share. For the year ended January 31 1983 the group made a profit before tax of £113.5m.

Mr Geoffrey Maitland Smith, the chief executive, says it is optimistic to expect the group to maintain the first half increase over the rest of the year, but the group still expects to do well in terms of its final profits.

On trading in the first half, he explains that European contribution from footwear—the UK and Holland—produced a turnover rise of 16 per cent and trading profits 60 per cent higher at £27.8m. In the U.S., the Butler Shoe Corporation increased turnover by 40 per cent and profit by 118 per cent to £4.8m, helped in part by the strength of the dollar.

Within the stores operation, Selfridges and the Lewis outlets recorded a turnover gain of 15 per cent and a profits rise of 74 per cent to £3.3m. The Selfridge store made all the running with the Lewis's operation showing another small loss. Biggest increase came from the fashion stores, Miss Selfridge and Wallis. Turnover grew by 20 per cent and profits by 380 per cent to £2.4m. "Business has literally been booming."

Like footwear, the stores side looks set for bumper results this year, says the chief executive. The signs are that Christmas trade has already started and will continue to build up strongly.

Helping push up the profits within the betting shops was the addition of the Trident operations, formally part of the Playboy empire. These added turnover of £23m to the latest figures and trading profits of some £1.2m. The number of cancelled race meetings fell sharply last year.

The directors are prepared to consider the sale of the engineering side if the price is right. But having reorganised and sold off the principal operations they now have these interests down to a "controllable and manageable size."

See Lex

BOARD MEETINGS

TODAY

Interims: John Crowther, Hambro Life Assurance, Higgs and Hill, House of Lerose, Laing Properties, Albert Martin.

Finals: Amstrad Consumer Electronics, Dunton, Precious Metals Trust, Renishaw, H. Young.

FUTURE DATES

Interims—	
City of Oxford Invest. Trust	Oct 19
Erith	Oct 17
First Charlotte Assets Trust	Oct 25
Foster Brothers Clothing	Oct 20
Jessel, Toynbee and Gillett	Oct 19
London Sumatra Plantations	Oct 12
Steel Brothers	Oct 12
Toshiba	Oct 27
Finals—	
British Assets Trust	Oct 28
Courtney Pope	Oct 7
Harrison (T. C.)	Oct 12
Lewtex	Oct 10
North Sea Assets	Oct 21
Paterson Zochonis	Oct 18
Pochin's	Oct 12

RESULTS AND ACCOUNTS IN BRIEF

BRIDGEWATER ESTATES (property developer and administrator)—For first half of 1983: interim dividend 2.25p (same): rents and sundry receipts £253,725 (£214,225): trading and development income £149,382 (£383,440): investment income £131,494 (£119,026): profit on sale of investments £97,490 (£5,236): profit on sale of fixed assets £150 (nil): pre-tax profits £396,857 (£1.02m): tax £138,171 (£336,217): stated earnings per share 4.82p (12.58p). Chairman states no comparison with last year is meaningful due to single exceptional profit item of £578,000 in 1982. House building results show a steady progress.

SOVEREIGN OIL & GAS (USM company)—Turnover for six months to June 30 1983 was £68,000 (£80,000): gross profit £48,000 (£71,000): interest received £11,000 (£32,000): profit after tax £59,000 (£103,000). Profit was lower largely as a result of lower levels of deposits, declining interest rates and increased operating costs in respect of the company's Canadian property.

A. Beckman maintains profit and payment

THE SECOND HALF has seen a slight improvement for A. Beckman, which is involved in textile converting and merchanting, equipment leasing and property investment. This gives a profit of £1.21m for the year ended June 30 1983, compared with £1.24m in 1981-82.

The final dividend is 3.78p to hold the total at 5.78p net, although earnings have fallen from 9.8p to 7.2p as a result of a higher tax charge of £471,000 (£233,000).

On September 7, the company contracted to purchase a freehold office investment property in City Road, London EC1 at a cost of £1.2m financed from its own cash resources. The property is fully let and produces an annual rental income in excess of £120,000.

Telemetrix offer is over-subscribed

The *application list in respect* of the Telemetrix offer for sale of 5,243,243 ordinary shares at 185p per share closed at 10.01 am yesterday, heavily over-subscribed.

Basis of allocation will be announced today.

Thos. W. Ward

To safeguard and support the future development of its non-cement activities, the directors of Thos. W. Ward have agreed a reorganisation which is designed to align its business interests with other complementary activities within the RTZ Group.

As a result John Lee (Sacks), Frank Parker and Company, Thos. W. Ward (Motors) and Thos. W. Ward (Australia) Pty. will become part of RTZ Industries. At the same time, Alexander Metal Company and Thos. W. Ward (Nuclear Decommissioning) will become subsidiaries of RTZ Bristol. Thos. W. Ward (Roadstone) *will also* transfer within the RTZ Group.

The sales have also been agreed of Marsall Richards Barcro, a Ward subsidiary, and subject to contract, Grantham Road Services also a Ward company. *All* other companies *will* remain Ward subsidiaries until their future is determined.

Clarke Nickolls

Pre-tax profits of property investment and *development* group Clarke, Nickolls & Coombs rose by £104,353 to £237,443 for the half year ended June 30, 1983 and the net interim dividend is being increased from 1.75p to 2p.

Net rents and fees expanded *from £288,791 to £303,988 but the* company incurred a net trading loss of £8,513 (£719 profit). The pre-tax result was after deducting £67,621 (£18,404) for interest, £85,903 (£77,412) general expenses and £141,233 (£28,424) *joint* venture loss and adding £10,248 (same) long term interest credit and associated company profits of £246,973 (£21,932 loss).

Earnings totalled 4.26p (2.04p) per 25p share after tax of £19,500 (£28,500).

Yearlings at 9¾%

The issue rate for this week's local authority yearling bonds is 9¾ per cent, the same as last week and compares with 10¼ per cent a year ago.

The bonds are issued at par and are redeemable on October 10 1984. A full list of issues will be published in tomorrow's edition.

Milford Docks

Milford Docks, shareholders were told of the "cautious optimism" concerning the progress of the company since the rights issue in June.

A number of additional cargoes had been generated, and the group was currently trading at levels which were maintaining a neutral cash flow position.

The interim results will be published later this month. All resolutions put to the meeting were passed.

Hanger Inv.

Ford and Vauxhall main dealer and vehicle leasing specialist, Hanger Investments, has returned a taxable profit of £82,000 in the first six months of 1983, as against a loss of £174,000 last time. For the whole of 1982, the pre-tax deficit totalled £806,000, which was after charging exceptional items of £635,000.

Turnover for the half year improved from £48.74m to £51.36m. Pre-tax results were after deductions of £8.49m (£8.38m) which included £5.28m (£4.92m) depreciation of vehicles on lease, £2.24m (£2.28m) financing costs of vehicles on lease and interest charges of £499,000 (£775,000). There is again no tax.

The directors say that while the vehicle market has been buoyant, there has been no respite from the fierce competition and vehicle margins still remain too low when viewed against the investment needed to achieve them.

They add, however, that it is encouraging that the company's vehicle leasing operations continue to report very satisfactory trading results.

British Syphon midterm expansion

A SHARP drop in interest charges and benefits of substantial reorganisation earlier this year enabled British Syphon Industries to push its pre-tax profits up from £2,000 to £86,000 for the six months ended June 30 1983.

The interim dividend, however, is being omitted but the directors say they will consider the payment of a final when the full-year results are known—only an interim of 0.5p was paid last year.

They say they have every confidence in the future profitability and success of the group.

First-half turnover was little changed at £10.86m, compared with £10.55m—the Sheffield-based group has interests in dispense equipment and manufacturing services.

In their interim report, the directors reveal that group liquidity has improved considerably over the past few months and efforts are in hand to improve the situation still further.

A stock reduction exercise is under way and some success has been achieved in the disposal of surplus properties.

Since the reorganisation in May, *the directors* have been engaged on a vigorous programme aimed at restoring the group's profitability to a satisfactory level.

Efforts have been concentrated on the removal of excess costs and as a result of substantial savings have been made. At the same time a thorough examination has taken place to determine how sales can be increased and necessary action has been taken where appropriate.

The directors point out that these significant changes are taking place in order to achieve the necessary improvement in the group's performance as quickly as possible.

First half interest charges dropped by £127,000 to £308,000. Below the line, extraordinary debits of £129,000 (£275,000) left the group £43,000 in loss at the available level, against £273,000—there was again no tax charge.

Earnings per 20p share emerged at 0.77p (nil).

The group finished the 1982 year £467,000 in the red pre-tax after taking account of exceptional charges of £440,000.

In his report for 1982, the chairman said that although the *cost of rationalisation and* reorganisation had been very large, it was essential and had resulted in the group being leaner and more productive and able to take advantage of any upturn in demand.

He revealed that trading in the first three months of the current year showed an improvement but said it was too early to give an indication of the full year outcome.

Silentnight's margins improve

IMPROVED margins are reflected in pre-tax profits at Silentnight Holdings for the six months to the end of July. They increased by 10.2 per cent from £1.9m to £2.1m. The interim dividend is unchanged at 1p—last year's total was 2.5p from pre-tax profits of £5.23m.

Mr Tom Clarke, the chairman, says the improvement in margins has been the key objective for this bed and furniture manufacturing group.

First-half turnover was *slightly lower* at £35.6m compared with £35.85m, but trading profits increased from £2.05m to £2.24m. Profit available to shareholders was £1.76m (£1.63m) after interest payments of £148,000 (£150,000) and tax up from £265,000 to £334,000. Stated earnings per 10p share rose from 3.62p to 3.9p.

Mr Clarke says that despite quieter trading conditions than expected in the opening weeks of the second half, he is confident that the full year's profits will show an improvement over last year's record results.

He adds: "Our emphasis on value-for-money quality products will continue because we are convinced such a policy is right both for our group and the industry.

"The group will continue to underpin its position as a market leader through substantial investment in new products and new methods of manufacturing. In both these key areas we anticipate significant advances."

Referring to the successful introduction of the company's savings-related share option scheme, he says the response by *its workforce was very strong* with 12 per cent—some 312 employees—joining.

Mr Wiliam McEwan, formerly a director of the Dawson International textiles and knitwear group, and managing director of *Pringle,* is the new *chief* executive of Silentnight. Mr Clarke says the growth of the group has made it necessary for him to split his duties as chairman and chief executive.

Better trend for MS International

Mr Kenneth Blair, chairman of MS International (formerly Mining Supplies), reported to the annual meeting that the Laurence Scott division had con*tinued to make a profit in the* first quarter, and following a rationalisation programme in Doncaster the Mining Supplies division had also traded profitably after all charges.

The chairman told shareholders that the claim referred to in the notes on the accounts, under contingent liabilities, amounting to approximately £2.35m, has been resolved with no loss to the group.

Second half pick up leaves Raine at £0.7m

A STRONG second half performance in housebuilding and a turnround from losses to profits in light engineering helped pre-tax profits at Raine Industries to recover from *£276,000* to £724,000 for the year to the end of June 1983.

The results compare with a peak of £838,000 in profits for 1977.

The net final dividend has been lifted from 0.3p to 0.47p, making a higher total of 0.64p (0.4p). Earnings per 10p share are shown as rising sharply from 1.325p to 3.666p.

Results for the first three months of the current financial year are encouraging, say the directors. They say that sales for the period—ahead from £11.83m to £13.51m—indicate a real growth in volume rather than the effect of price inflation.

Housebuilding continued to capitalise on the resurgence in buyer confidence already reported—profits moved up from £435,000 to £657,000. The trend of *rising profits and sales* temporarily reduced in 1982 has been restored. The directors say that early indications on the level of completions for 1984 are encouraging.

MINING NEWS

Gold Fields set for a better year

BY KENNETH MARSTON, MINING EDITOR

"AN ALL-ROUND improvement producing a more satisfactory overall result" is forecast for Consolidated Gold Fields in the current year to next June by Mr Rudolph Agnew in his first annual statement as chairman of the UK-based mining finance house.

This forecast follows a year in which earnings dropped by 22 per cent to £57m before an extraordinary provision of £87m for losses arising out of the closure of the U.S. Skytop Brewster drilling rig business.

Gold Fields staged a good recovery in the second half of the year and was able to maintain the 24.5p dividend out of earnings of 30.5p per share.

Mr Agnew comments, however, that the margin of dividend cover is too thin to be regarded as a long term standard and has recently indicated that on average the group would like to see the dividend twice covered by earnings.

The past year's problems stemmed from losses incurred by the group's manufacturing and commercial businesses in the U.S., notably Skytop Brewster and the steel distribution activities.

These losses should not recur says Mr Agnew, in the annual report, pointing out that the businesses now held in the manufacturing and commercial sector are expected to contribute to profits in the current year.

He stresses that in future Gold Fields is to stick to the business it knows, that of a mining finance house. In this sphere Gold Fields did well during the past year.

Profits from mining investments, mainly in South African gold mines, rose 41 per cent to a record £95.1m, the construction materials side (notably the UK Amey Roadstone) lifted profits by 32 per cent to a record £46.5m and sharedealing activities turned in £20.5m.

Despite low copper prices the 25.1 per cent-owned Newmont Mining of the U.S. raised earnings by 8 per cent on the 1982 figure before unusual dealing profits.

A total of $430m has now been invested in Newmont at an average price per share of $57.25. The current share price has fallen to around $47 but, on the other hand, Gold Fields acquired most of the dollars for the share purchases at a "cheap" rate of $2.42 to £1.

Commenting on gold, Mr Agnew says it is "an enigma for the moment"—his statement is dated September 12 when the price was $414 per ounce—but adds that "in the longer term we remain optimistic" and points out that most of the group's exploration expenditure goes on the search for new gold mines.

Providing that South African gold production is not adversely affected by any power shortage as a result of the drought and that the gold price improves from its present level, Gold Fields will, of course, have no difficulty in maintaining the dividend rate this year. But hopes of an increase may have to be deferred until a stronger financial position is achieved. The shares were 538p yesterday.

Mr David Lloyd-Jacob, the director who headed Gold Fields' ill-fated expansion into the U.S., resigned last year after 20 years with the group. The annual report discloses that under a consulting and non-competition agreement he received $394,000 from Gold Fields American Corporation upon ceasing to be its chairman and chief executive. A further payment of $280,000 will be made to him in November 1984. The total sum would be equivalent to about two years' earnings, comprising salary and bonus.

Gold flows at Detour Lake

THE first gold bar has just been poured at Canada's newest gold mine, the big Detour Lake open-cast which is equally owned by Campbell Red Lake Mines and Amoco Canada Petroleum (a unit of Standard Oil of Indiana), reports John Soganich from Toronto.

The capital cost of the project, 125 miles north-east of Timmins, Ontario, amounts to C$139m (£75.4m). It will produce at the rate of about 100,000 oz gold a year when the planned mining capacity of 2,500 tonnes of ore per day is reached later this month.

Meanwhile, work has started on the development of an underground mine for a planned start-up in 1987. This will require an increase in Detour Lake's milling capacity to 4,000 tonnes per day and will boost gold output to an annual 200,000 oz.

Wankie profits fall 66% in the first half

DISAPPOINTING SALES of coal and coke coupled with rising costs have resulted in half-year net profits of Zimbabwe's Wankie Colliery falling by 66 per cent to Z$664,000 (£426,000) from Z$1.96m in the six months to August 31 last year. The total for the year to last February was Z$2.01m.

The big Anglo American Corporation group coal and coke complex, in which the Zimbabwe Government has a stake of 40 per cent, has thus decided not to pay an interim dividend. For the year to last February there was an interim of 3 cents followed by a final of 2 cents.

Wankie states that the anticipated price increases for coal and coke which were expected in January only became effective from April 1 and then fell short of expectations. Coal sales to the Hwange power station doubled but were also less than expected while coke sales fell in both the domestic and export markets.

However, prospects for the second half of the year are more encouraging because, although no increase in local sales is expected, the Government has agreed to a further price increase from the beginning of this month and there should also be higher revenue from the power station.

The opencast expansion is nearly finished and will be completed well within the budget. But it was financed by borrowings in U.S. dollars and so any budget savings will be seriously eroded by the fall in the value of the Zimbabwe dollar against the U.S. dollar which has amounted to some 30 per cent in the past year.

Asarco's gold mine in Canada

AMERICA'S major smelter and refiner of non-ferrous metals, Asarco plans to start commercial gold production at its Aquarius project near Timmins, Ontario. Initially, the underground Canadian mine will be operated at a daily rate of 300 tons of ore grading about 0.25 oz (7.8 g) gold per ton.

As mining proceeds, additional underground work will be carried out in order to determine whether to expand production.

* * *

Work has resumed at the EZ Industries' group's base metal mines in Tasmania after a six-week strike. The dispute was over the dismissal of three men who refused to break a union ban on loading explosives. While output of zinc from the refinery was maintained, deliveries to customers were disrupted by pickets and the company is now doing its best to make up delayed shipments quickly.

SHARE STAKES

International Thomson Organisation—Lord Thomson of Fleet, a director, has increased his interest by an additional 6,500 common shares.

George H. Scholes—G. R. C. McDowell has ceased to be interested in 145,000 ordinary shares. His total non-beneficial interest as trustee is 101,300 ordinary.

Saga Holidays—S. J. Moss, a director, has sold 81,000 ordinary.

TR Industrial General Trust—The Government of Kuwait holds an interest in 19.25m ordinary (8.89 per cent).

Regentcrest—J. D. Webber, a director, has purchased through J. Webber Finance (a company controlled by him) 40,000 ordinary.

Ewart New Northern—WCS Holdings (NI) has transferred its holding of 45,450 ordinary (5.7 per cent) to a related company, Towermill Properties.

Cultus Pacific—Cultus has sold its 8.5 per cent holding in Exploration Group York Resources for A$671,480.

Associated Telecommunications—Consult International, a private company controlled by R. A. Shuck, a director, has sold 149,622 ordinary. R. A. Shuck is interested in 1.05m shares (32.4 per cent).

The Anglo-Indonesian Corporation—Plantation and General Investments has become interested in a further 97,300 ordinary. Its total interest is 302,615 ordinary (5.1 per cent).

Kennedy Brookes/Wheelers Restaurants—Phillips and Drew, as an associate of Wheelers Restaurants, has bought 30,000 ordinary on behalf of a discretionary client.

New Australia Investment Trust—the General Funds Investmet Trust has sold 260,000 ordinary reducing its holding to nil.

Burgess Products—A. L. R. Morton has 151,325 ordinary (7.04 per cent).

The Lincroft Kilgour Group—The company has purchased 150,000 ordinary for cancellation at 58p per share. The total of shares purchased for cancellation is 221,918 which leaves 4.57m shares remaining in issue.

BIDS AND DEALS

Inspectors called after Edenspring request

THE Department of Trade has appointed inspectors to investigate Pennine Commercial Holdings and Bank Street Securities, two companies which shared the same offices in Manchester, and were both linked with the collapse of the Savings and Investment Bank in the Isle of Man last year.

The investigation follows a request from the board of Edenspring, the company formed following the rescue of Pennine Commercial by Dumgoyne Investments, a privately-owned company headed by Mr. Temple Melville.

The board six weeks ago submitted to the Department of Trade a file on certain affairs inside the company prior to its takeover.

A spokesman at the Department of Trade said that the decision to appoint inspectors also arose from investigations currently being made into Graylaw Holdings, Link Service Stations and British Anzani. All these companies were linked with the Savings and Investment Bank.

Bank Street Securities was once a licenced deposit taker, but has had its licence revoked by the Bank of England. A creditors petition to wind-up the company is to be heard in the High Court next Monday.

Until October last year, both Pennine Commercial and Bank Street shared the same premises on Cheapside in Manchester. Mr David Knott was managing director of both companies until his resignation, also in October last year.

Mr Temple Melville yesterday emphasised that the Department of Trade had been approached by his own board to investigate Pennine, and said the board welcomed news of the appointment. He also emphasised that whatever the findings of the inspector, they will have no effect on the affairs of Edenspring. However, the company's shares slipped 4p to 9½p on the news.

Hawley sub-division

Hawley Group says that, subject to shareholders' approval, each authorised 25p ordinary share is to be sub-divided into two ordinary shares of 12½p each. Total value of shareholders' holdings and company's overall market capitalisation should not be affected.

Proposed sub-division, if approved, will take effect from the close of business on October 28 1983 and dealings will commence in the 12½p ordinary on October 31.

As a result of the sub-division, the interim dividend of 1.32p per ordinary share of 25p will be paid as to 0.66p per ordinary share of 12½p.

Croda makes £14.5m sale to Shell

BY DAVID DODWELL

IN A DEAL worth £14.5m, Croda International, the chemicals processing group, has sold its subsidiary Synthetic Chemicals to Shell Petroleum.

The announcement coincides with reports that another major chemicals group, Imperial Chemical Industries, is about to make a £30m offer for the fertiliser business of Britain's fourth largest producer, Albright and Wilson. The companies would not confirm the reports yesterday, but ICI said it may be making an announcement later this week.

The Shell deal is part of Croda's strategic plan to concentrate operations on speciality chemicals and follows conditional agreement with Shell in July.

Synthetic Chemicals is newly formed from the synthetic chemical interests of Croda's Organic Chemicals division and has an asset value estimated at £16m. It comprises two factories, in Yorkshire and Wolverhampton, which in 1982 have accounted for sales of £22m and a pre-tax profit of £500,000.

A spokesman for Shell Petroleum, which is one of the holding companies of the Royal Dutch/Shell Group, said the purchase would boost its sales of fine chemicals by 50 per cent.

In the wake of the abortive £78m bid for Croda by Burmah Oil in late 1981, Sir Frederick Wood, Croda's long-standing chairman, initiated a strategic review which among other things concluded that the company should concentrate on speciality chemicals—which tend to be made in small quantities and sell for high profit margins.

The Synthetic Chemicals subsidiary, which primarily produces paracresol—used in antioxidents, often in rubber tyres—falls outside this category. Sir Frederick said yesterday that production tended to be cyclical, and involved larger production quantities than the company was happy with.

Shell, on the other hand, said that the new company's broad range of fine chemical products —including pharmaceutical and agrochemical intermediates—complimented its own worldwide business in this area.

Mr Nigel Pinnington, head of Shell International's Speciality Chemicals division, will become chairman of Synthetic Chemicals, with Mr Richard Davidson also joining the board from Shell. Mr P. R. Norton, formerly Croda's director in charge of Synthetic Chemicals, will also become a director.

ICI's purchase of the fertiliser interests of Albright & Wilson has been mooted since July. It would give ICI an even more dominant position as Britain's leading fertiliser producer—it currently controls almost half of the UK's £1bn market.

Albright & Wilson is understood to be under pressure from Tenneco, its U.S. parent, to rationalise operations. In the six months to June 27 this year, it unveiled pre-tax profits of £14.8m —more than double the £6.7m earned in the equivalent period of 1982—on a turnover of £272m, compared with £258m.

L and G builds up 5.1% interest in Polly Peck

Legal and General Assurance yesterday declared that it had accumulated a stake of 5.1 per cent in Polly Peck, the controversial one-time ladies clothing specialist which is developing extensive industrial interests in Cyprus and Turkey under the leadership of Mr Asil Nadir.

With the share price up 50p to £30, L and G's stake is worth some £11.2m. The share price has varied this year between a high of £35¼ and a low of £13½, the latter following wave of uncertainty about the sustainability of Polly Peck's profits, and its tax position in the Turkish zone of Cyprus.

Mr Peter Simon, investment manager of L and G, said yesterday that the holding was the result of buying over a period since the end of 1982.

"We wouldn't have increased our levels if we hadn't got a considerable degree of confidence in its future," he said. "We have researched its fairly heavily. We have had a chat in Cyprus."

Bullough pays £3m for another acquisition

BY CHARLES BATCHELOR

Bullough, the Epsom-based engineering and furniture making group, has bought Johnson and Starley, a manufacturer of warm air central heating units, from Dana Europe for £2.9m

Johnson, which is based in Northampton, made a pre-tax profit of £749,000 on turnover of £5.2m in the ten months ended August 1 1983. The value of the assets being acquired is £700,000.

Bullough announced in March that it was seeking to buy profitable companies of this size occupying a strong market position.

Mr Trevor Brooks, Bullough's fiancial director, said yesterday: "We think we can do slightly better with this group than the previous owners. It is in engineering like up but we don't expect a lot of intra-company spin-offs."

Norcros lifts its stake in UBM to 33.6%

By Ray Maughan

The contested £75m offer for UBM Group, the builders' merchant, from Norcros was delicately poised yesterday as the bid reached its second closing date.

Norcros revealed that it had picked up a total of 26.5 per cent of UBM's equity in the market which, with acceptances, gave it 33.6 per cent.

The bid, Norcros disclosed, would reach its final closing date on October 19 which was the limit fixed principally by the City Code and by Norcros's own underwriting arrangements.

The Code also stipulated that unless Norcros purchased over 30 per cent in the market by today it could not thereafter pick up anything over 29.9 per cent. The UBM share price fell 1p yesterday but, as before, Norcros was buying for cash settlement at 124½p, which matched the terms of its cash offer.

Colgay, the investment arm of the Newarthill construction group, has already indicated that it will not accept the bid in respect of its 9.5 per cent, or sell in the market, but the 20 per cent stake controlled in aggregate by Equity Capital for Industry and funds advised Morgan Grenfell remain uncommitted.

A & G Electronics buys Codeg

BY CHARLES BATCHELOR

A and G Security Electronics, Oldham-based alarm maker, has bought the stock and assets of Codeg Security Systems from Cowan De Groot, toymaker and electrical wholesaler, for about £120,000.

This purchase means A and G accounts for 80 per cent of the do-it-yourself home alarm kit market which is worth about £500,000 a year, according to Mr Gerry McNamara, chairman. Its main competitor is Hoover.

A and G makes kits under the Maxalarms and Secure Home labels. Codeg makes house, vehicle, caravan and boat alarms for a major electrical group and also sells its Defender alarms through the Newey and Eyre electrical wholesale chain.

A & G has already transferred some of the production from Codeg's Swindon factory to its own Burnley location. Cowan De Groot had already shut down Codeg and dismissed the 25 employees.

Cowan De Groot said last month that production and costing problems at Codeg meant it would not achieve its targets this year and it would be shut or sold. Capital employed at Codeg was less than 2 per cent of group assets.

A & G claims to be the largest UK maker of burglar alarm control panels and it also makes a wide range of alarm system accesssories. It made pre-tax profits of £346,000 on sales of £933,000 in the six months ended January 31 1983.

It bought Carters of Burnley, the fire alarm manufacturer, from Burco Dean, the domestic appliance maker, for £1.4m last April. A & G's shares were unchanged at 253p yesterday.

Sunlight appeals for Panel reversal

Sunlight Service Group yesterday appealed to the full Takeover Panel to overturn a ruling last week by the Panel executive which vindicated the option undertakings given to Pritchard Services, Sunlight's rival in its bid for Spring Grove.

Sunlight, advised by Kleinwort Benson, has already been told that Pritchard had properly undertaken that the options granted to Spring Grove executives would not be exercised during the period of the offer.

Pritchard launched a £23.4m rights on a one-for-four basis at 120p per share to support its bid and announced yesterday that 87 per cent of the issue had been taken up. It has effectively shut Sunlight out of the bidding for Spring Grove by declaring 50.5 per cent acceptances which means that its bid is unconditional in all respects other than a reference to the Monopolies Commission.

Its rival has been attempting ever since to break down this shut-out by showing that options, if exercised, would dilute Pritchard's acceptances below 50 per cent. Pritchard's response has been to obtain undertakings that the options would not be exercised, a view which the Panel executive has supported. Sunlight, therefore has gone to the full Panel to claim that these undertakings have been obtained in a way which breaches the City Code.

Lloyd's in £6.7m N. American purchase

The Corporation of Lloyd's, the insurance market, is to acquire two North American loss adjusters, Toplis and Harding and its wholly-owned subsidiary, Toplis and Harding Canada, in a deal worth $10m (£6.74m).

The acquisition does not affect Toplis and Harding London, which is a separate company, or its overseas offices, nor does it affect Toplis and Harding, SA Paris.

For the financial year ending December 1982 pre-tax profits of the two companies being acquired ran at $610,000 and net asset value stood at $10m.

The companies are being purchased from Employers Reinsurance Corporation, part of Getty Oil. Lloyd's said that the growth of the market's business in North America meant that it had to ensure that an efficient claims settlement service was in place.

Gill & Duffus

As part of its long term policy to increase its presence in the insurance broking industry, Gill and Duffus group has acquired for £3.05m cash the Ernest Notcutt group, a Lloyd's broker with a brokerage income of £3m.

Camellia Invts.

Jatel, a subsidiary of Camellia Investments, has entered into a provisional agreement for the sale of its entire holding (313,400 shares) in Lazare Kaplan Intl to LPH Panama, a wholly-owned subsidiary of Lawrie Plantation Holdings for a total consideration of U.S.$1.88m cash. The proceeds will provide additional working capital.

RESIDENTIAL PROPERTY

OVERSEAS PROPERTY

HOLIDAYS & TRAVEL

WINTER SPORTS

HOTELS

OVERSEAS FLIGHTS

OVERSEAS

BUSINESS FLIGHTS

MOTOR CARS

APPOINTMENTS

Changes at Johnson Group

Mr Terence Greer has been appointed deputy group managing director of JOHNSON GROUP CLEANERS, and Mr James Fox and Mr Richard Zerny join the main board. Mr Zerny also becomes managing director of Joseph Harris, Birmingham, the post vacated by Mr Greer. Mr Fox is managing director of Bollom, Brighton, while Mr Zerny was previously managing director of Zernys, East Yorkshire, both Johnson subsidiaries. Mr Peter Robinson becomes managing director of Zernys, and Miss Jean Baldwin, group information systems manager, to the board of Johnson Group Management Services. Mr Jack Kneel, a director of Johnson Group Cleaners, has retired.

★

Mr M. W. Collins has been appointed supervising director for the BERGER GROUP UK region, and chairman of the eight companies in the region. He was chairman and chief executive of Cuprinol. Mr G. M. Weightman becomes commercial director for the group. He was financial director of Cuprinol. Mr P. J. Medcalf has been promoted marketing and planning director of the group. He was marketing manager.

★

Mr James Baldwin and Mr Desmond O'Connell have been appointed to the board of the BOC Group as foreshadowed in the company's interim statement. Mr Baldwin has become managing director, carbon and diversified businesses and Mr O'Connell, managing director, health care. Three other directors have been appointed managing directors. They are Mr Paul Bosonnet, finance and administration, Mr David Craig, engineering and technology and Mr David Pitts, gases and welding. Mr Jim Davidson and Mr Donald Reich have retired as directors.

★

Mr Nicholas Ledger has been appointed an account director at KNOWLES AND NICOL ADVERTISING, Alton. He was on the board of Bell Carter Elliot Richards.

★

JOHN LAING has appointed two vice chairmen and three new executive directors to the main board. Mr A. M. Millwood and Mr J. A. Renshaw are the new vice chairmen, both already members of the main board, and the new directors are Mr J. D. Bottom, Mr P. D. Holliday and Mr G. O. Whitehead. The new directors present areas of executive responsibility are: Mr Bottom—UK building, Spain and Venezuela; Mr Holliday—homes division; and Mr Whitehead—UK engineering, overseas construction (other than Spain and Venezuela).

★

Mr Leonard Hall has been appointed chairman of POSTEL INVESTMENT MANAGEMENT (PosTel) from October 1. He succeeds Sir Daniel Pettit, who has retired. Mr Hall retired last year as general manager of the Clerical Medical and General Life Assurance Society. British Telecom and the Post Office pension schemes are managed by PosTel, with funds totalling about £6bn.

★

Mr Ray Knight, public relations manager with Maclaren Publishing has joined the board of MURRAY EVANS, in a non-executive role.

★

Mr J. Kemp has been appointed company secretary of THE WOLVERHAMPTON AND DUDLEY BREWERIES from October 1. He was assistant company secretary.

★

RELIANCE KNITWEAR GROUP has promoted Mr Paul Wheeler to financial director of its subsidiary company Draperite from November 1.

★

Dr Kenneth L. Giles has been appointed director of research of TWYFORD PLANT LABORATORIES. He was professor and head of the department of biology and biotechnology of Worcester Polytechnic Institute in Worcester, Massachusetts.

★

AVIS AUSTRALIA is to establish its own London office to increase the company's share of traffic from Europe. The current sales director Australia, Mr Ron Chandler, will become director of international sales and head of the new office within the company's Europe, Africa and Middle East headquarters in Bracknell from October 1.

★

PROTOCOL ENGINEERING, Berkhamsted, has appointed from October 1 Mr Philip H. Ling as a non-executive director. He is group managing director of London and Midland Industrials. Also from October 1, Protocol's other non-executive director, Professor Gordon Wills, becomes principal of The International Management Centre, Buckingham (UMCB). Previously he was professor of management and logistics studies at Cranfield School of Management.

★

Mr V. W. J. Amos has been appointed to the board of TOTAL OIL GREAT BRITAIN as an executive director from October 1. He joined Total in 1972 first as manager then as director of industrial marketing.

★

Mr B. G. Adams has been appointed a director of A. L. STURGE (HOLDINGS) from October 1. Mr R. W. Bosshard, Mr D. R. Kirsch, Mr K. J. Leonard and Mr K. A. Long have been appointed directors of A. L. Sturge (Management) from the same date.

★

BRITISH AEROSPACE has appointed Mr L. A. Sanson as marketing director, from October 1. He is sales and marketing director of British Aerospace Dynamics Group.

COMPANY NOTICES

Gold Fields

Notice of Annual General Meeting

The Annual General Meeting of Consolidated Gold Fields PLC will be held at the Hotel Inter-Continental, Grand Ballroom Entrance, One Hamilton Place, London W1, on Wednesday, 2 November 1983 at 11.30 am, for the transaction of the following business:

1 To receive and consider the audited accounts for the year ended 30 June 1983, together with the report of the Directors, and to declare a final dividend.

2 To re-elect Directors.

3 To re-appoint the Auditors and to authorise the Directors to fix the Auditors' remuneration.

4 To consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution:

That the Directors be and they are hereby empowered pursuant to Section 18 of the Companies Act 1980 to allot equity securities wholly for cash pursuant to the authority contained in Article 7(1) of the Articles of Association of the Company as if Section 17(1) of that Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with an offer of such securities by way of rights to holders of Ordinary shares on either of the Company's registers on a fixed record date in proportion to their then holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, Ordinary share warrants to bearer or any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange; and

(b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount of £2,750,000;

and shall expire on the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed, save that the Company may make any offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired, and in this resolution the expression "equity securities" and references to the allotment of equity securities shall bear the same respective meanings as in Section 17 of the Companies Act 1980 (as modified by the Companies Act 1981).

By Order of the Board P F G Roe *Secretary*
4 October 1983

Notes

Only members holding fully paid Ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the meeting. A member so entitled may appoint a proxy, who need not be a member, to attend and vote on his behalf.

Holders of share warrants to bearer who wish to be present or represented at the meeting may obtain the necessary information regarding the formalities to be complied with from the registered office of the Company.

The register of Directors' interests, together with copies of contracts of service between the Directors and the Company or any of its subsidiaries (or a memorandum of the terms thereof), other than contracts expiring or determinable within one year without payment of compensation, will be available for inspection at the registered office of the Company during normal business hours until the date of the Annual General Meeting and on that day at the place of the meeting from 11.15 am until its conclusion.

Consolidated Gold Fields PLC
49 Moorgate, London EC2R 6BQ

GAZ DE FRANCE

ECU 50,000,000 Floating Rate Notes due 1989
Exchangeable for 13% Bonds due 1989

Unconditionally guaranteed by
THE REPUBLIC OF FRANCE

In accordance with the terms and conditions of the Notes, notice is hereby given that for the 5th Interest Period from September 30, 1983 to December 30, 1983 the Notes will carry an Interest Rate of 9 % per annum.

The Interest payable on the relevant Interest Payment Date, December 30, 1983 against Coupon n°5 will be ECU 24.96 per Note.

Agent Bank
KREDIETBANK
S.A. LUXEMBOURGEOISE

CONTRACTS & TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIQUE)

Ministere des Transports et de la Peche

(MINISTRY OF TRANSPORT AND FISHING)

Societe Nationale des Transports Ferroviaires

(NATIONAL RAIL TRANSPORT COMPANY)

CALL FOR PRESELECTION OF COMPANIES FOR THE SURVEY OF A RAILWAY LINK

The Société National des Transports Ferroviaires [National Rail Transport Company] (SNTF) is proposing to launch a feasibility study for a railway line linking the North and the extreme South of the country (a distance of 2,000 km).

The companies interested in carrying out this study should send their references, within the 60 days with effect from the date this notice is published, to the following address:

Société Nationale des Transports Ferroviaires (SNTF)
Direction Générale
21, 23 Boulevard Mohamed — V — Algeria

ONATRA
INTERNATIONAL BID FOR TENDERS 1427 f3-29

The Ministry of Transport and Communications of the Zaire Republic, represented by the Office National des Transports "ONATRA," issues an International Bid for Tenders to be financed by the I.D.A. World Bank of Washington for the following items:

- a Central Computer Unit,
- a Central Magnetic Disc Unit,
- a Central Terminal Teleprocessing Unit, equipped with Cathodic Screens and local Printers to be connected to the supplied Computer,
- a Soft Mini-Disk Reading and Writing Unit,
- High-Speed Printers,
- Storage Units for High-Speed Magnetic Tapes of High Density.

This bid is open to all technically qualified Firms belonging to the I.D.A. World Bank membership plus Taiwan and Switzerland. Interested Companies may obtain, on payment of 1.000,00 Zaires or DM 400.-, the complete file of this international bid for tenders from the following address:

— Direction des Approvisionnements ONATRA,
Building ONATRA 3e étage - local 323
Boulevard du 30 juin, 177, Kinshasa, Zaire;
on Mondays, Wednesdays and Fridays from 10.00 to 11.00 hrs, or abroad from the following address:

— Société Générale des Minerais Division Zaire,
1, rue de la Chancellerie, 4e Etage,
B-1000 Bruxelles, Belgium. Tel. 511.39.10,
Tlx 23518 sgmza-b

by means of a crossed cheque payable to ONATRA in one of the following convertible currencies accepted by the Zaire Bank, which can be either: DM, SFRS, FFRS, BFRS, CFAFRS, SKRS, DKRS, NKRS, £, CAN $, US $, ITLRS, DFL, SCH, ESC, YEN, PTAS.
Deadline for submission of offers is Friday December 16, 1983 at 15 hrs in Kinshasa;
they should be addressed under double sealed envelope to:

Office National des Transports ONATRA,
Président de la Commission des Adjudications, Building ONATRA, 7e Etage, Local 707, Boulevard du 30 juin, 177, P.B. 98
Kinshasa 1, Republic of Zaire.

The Exterior envelope, which should not bear any mention enabling the identification of the tender, should also bear, in addition to the above-mentioned address, the number and items of the relevant file as well as the date of opening of envelopes. Such offers may also be handed out to the President of the Commission at the beginning of the Opening Session.

The Public Session to which tenders may assist will take place in the Conference Room of the Direction Générale, Building ONATRA, 7e étage, local 711, Boulevard du 30 juin 177, Kinshasa, on Friday, December 16, at 15 hrs precisely.

LEGAL NOTICES

IN THE MATTER OF
THE COMPANIES ACT 1948
AND IN THE MATTER OF
S & C RECORDS LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act, 1948 that a General Meeting of the Members of the above Company will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ on Tuesday, 18th October 1983 at 10.00 a.m. to be followed at 10.15 a.m. by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidators' Acts and Dealings and of the conduct of the Windinup up to date.

Dated this 19th day of September 1983.

P. GRANVILLE WHITE
L. J. GERRARD
Joint Liquidators

COMPANY

CITY OF COPENHAGEN
9¼% 1975/1985
UA 25,000,000

NOTICE IS HEREBY GIVEN to Bondholders that, during the twelve-month period ending September 24, 1983, nominal UA 1,629,000 have been purchased for the account of the City.

Outstanding amount: UA 20,830,000.

THE FISCAL AGENT
KREDIETBANK
S.A. LUXEMBOURGEOISE

Luxembourg,
October 5, 1983.

EXHIBITIONS

TECHNOLOGY

EDITED BY ALAN CANE

COMPUTER BUREAU SEEKS NEW MARKETS

Baric changes its image

BY ELAINE WILLIAMS

CHRIS GENT has been changing the image of Baric, the computer bureau owned jointly by Barclays Bany and ICL. Once it was a profitable, if a little boring, batch bureau; today it is moving into new markets and bursting with ideas.

As managing director of Baric, it is Gent who has been instrumental in identifying new areas. Mr Gent recognised that the batch bureau market had a limited future. "We put together a plan to get into on-line work fast."

Until three years ago 90 per cent of Baric's business was in the traditional batch bureau market. This is now down to 50 per cent and Chris Gent hopes that it will drop to 10 per cent in the coming years. The company's turnover is expected to reach around £15m this year an increase of more than £1m on last year.

Gent realised that the company had to be streamlined to meet the challenges of new business and to move into on-line processing. As a batch bureau the company had 12 different offices around the country.

Gent decided to link all offices onto a network into a central computer system thus moving all the local processing to the Feltham complex. Now there are only eight offices around the country and Gent commented that further rationalisation may be needed.

Baric's philosophy, says Gent is to specialise. "It will make us more resistant to downturns," he says. One of the company's area of expertise is in viewdata technology. Gent identified a large but relatively untapped market for viewdata technology in the pharmaceutical industry for tracking the market trials of drugs.

In conjunction with some of the leading pharmaceutical companies Baric carried out some experiments. This involved the pharmaceutical companies installing basic Prestel-type television sets in medical group practices. Doctors can then fill in an electronic version of the "yellow forms" normally used on clinical trials by entering information on the control pad of the TV set.

The entry is done in the evening and Baric passes the information on to the drug companies or does some analysis first. It helps drug companies keep in touch with doctors and to assess drug usage. Pharmaceutical companies can quickly respond to problems and send its represenatitives along to practices to find out why a particular drug is not being used, for example.

Chris Gent, managing director of Baric, is putting the company on a new course.

Today there are some 1,000 sets—which represents about 10 per cent of doctors' surgeries—installed on different trials in the UK. Mr Gent said that some days they can have up to 17,000 accesses on the system. Clinical trials can cost millions of pounds so that any system which increases the efficiency and accuracy is generally welcomed by the drug makers.

To get the system off the ground Mr Gent described it as a "three-way selling act." Baric had to sell the idea initially to the pharmaceutical companies, prove to the Department of Health and Social Security that it was acceptable and convince doctors of the benefits of drug reporting by Viewdata. Some pharmaceutical companies pay doctors a small fee to encourage them to report on drug trials to compensate for the inconvenience of using the Viewdata system.

Also the company hopes to expand into another area to serve the pharmaceutical industry. This is in sales whereby drugs salesmen, who frequently work from home, can report sales figures into the viewdata ystem. A pilot trial for this system was launched about one month ago and Baric hopes that it will go live in December. In the New Year, Baric hopes to launch a drug database for doctors.

The travel industry is another area where Baric believes there is a market fr its on-line viewdata technology. This market is attractive because travel agents are already enthusiastic users of viewdata technology for travel information. Thomson Holidays, largest UK travel agent with around 20 per cent of the market, has been very successful with its TOPs booking system which allows travel agents to book holidays over the viewdata network directly into Thomson's main booking computer.

Baric is hoping to sell turnkey systems to small- and medium-sized operators who cannot afford the massive investment Thomson made to set up their own computer booking. Portugal Holidays has already signed a contract estimated to be worth £500,000 and a further three companies are considering the system.

COMPUTER MONITORING SYSTEMS

How Tesdata got SMART

BY GEOFFREY CHARLISH

A COMPLETE picture of the way a big computer installation is responding to the demands of its users is provided by a new hardware and software monitoring system from Tesdata.

The system can "zoom in" from an overall look at the installation's performance, right down to the behaviour of a single terminal. All the information is presented in easily understood colour graphics.

Tesdata has now clocked up a decade of experience in this field, taking the view that there is little point in spending several millions on a big system in say, a bank or a utility, only to be unsure whether it is being used to the best advantage—in spite of assurance from the DP people.

According to Duncan Ritchie, financial director of Tesdata: "There is a disconcerting tendency to view computers as somehow different from other items of capital investment. Computer departments are not judged in the same way as other parts of the organisation."

He believes that because computers are seen as "technical," the problem mounting as the size of the installation increases, accountants for example, are reluctant to probe very far due to the difficulty of quantifying the performance of the machine or network.

So Tesdata has always sought to provide an easily understood means of doing this, with the added advantage that it then becomes easier to make new investment decisions.

It rejects the idea of machine self-monitoring using software, asserting that this will not provide information about items such as discs or telephone lines.

So the company's new system, called SMART (systems monitoring and reporting by Tesdata) puts physical probes into quite large numbers of RS 232 and other lines to get complete data.

Then, SMART makes full use of modern colour graphics techniques with easy user programming of what is displayed. Raw data is readily manipulated on screen and finally produced as graphs or pie/bar charts.

In this way terminal response times for examples, can be closely watched, the system distinguishing between delays due to the host computer and those due to the network. On a day-to-day basis SMART can give instant information about line degradation so that particular users can be warned about a possible interruption to their service and quick remedial action taken.

In the medium-term the system helps the computer manager to achieve optimum utilisation of existing equipment.

In the long-term it can be used to anticipate the effects of future developments on the network — predictive techniques and mathematical modelling are used to evaluate new configurations or major additions to the system.

According to Ritchie, high cost strategic planning decisions have frequently been based on inaccurate information, or even, on the incomplete analysis of essentially correct data. He thinks this has often led to the uncalled for purchase of additional hardware, the modification of existing software or even the entire changeover of software.

He says: "The result can be a great deal of wasted money, poor performance, frustrated users and a prodigious waste of management time. The alternative is efficient network planning." Tesdata is on Slough 71961.

COMBUSTION UNIT USES CHEAP FUEL

Cutting the cost of heating

A GREENHOUSE heating failure with the loss of its valuable contents, together with the oil crisis, led Alec Smith to develop a new type of combustion unit that uses the cheapest form of coal—smalls and fines at around £55 a tonne. In pre-production tests over two years savings of some 50 per cent in heating costs, and sometimes even more, have been achieved compared with conventional units.

It can also be automatically programmed and an automatic light-up device is being developed.

Alec Smith, a chartered engineer and Fellow of the Institution of Mechanical Engineers, began work as a retirement project and is now chairman and managing director of Carbonised Fuel Combustion at Tamworth, Staffordshire.

Production for stock has begun and from 1984 the first units to become available will be a range of four from 120,000 Btus to 250,000 Btus for industrial and commercial applications. Four units can be linked to provide 1m Btus for space heating or steam raising. A 70,000 Btu unit will follow.

Smalls and fines are the waste products of mechanised mining and there are said to be some 50m tonnes above ground surplus to briquette requirements.

The combustor uses a stepped grate, through the apertures of which air is blown to assist combustion when working hard and just sufficient amount when the unit is slumbering. A metered amount of fuel from a hopper is fed on to the first step where it starts to gell and volatiles rise. The gases are then ducted back to the ignition zone and burnt off, eliminating "acid rain" and similar pollution problems. Analysis has shown emissions to contain only 200 parts per million of nitrous oxides, 200 ppm of sulphur dioxide, 150 ppm of carbon monoxide and 7.5 per cent oxygen.

The pre-heated, dried fuel is pushed into the ignition zone by the next block of fuel being pushed into the first step, and in the final sequence out at the end in the form of light clinker. An analysis of the clinker for carbon content by the National Coal Board showed zero for two samples and 3 per cent for the third. Never less than 97 per cent of the combustible material has been burnt, it is claimed.

The average conversion rating is 80 per cent although 93 per cent has been recorded. A pay back period of 12-18 months is considered well within reach.

The cost of a 150,000 Btu unit complete with electronic controller is £1,650 and £2,000 for the 250,000 Btu unit. More from Carbonised Fuel Combustion, Hedging Lane, Winecote, Tamworth, Staffordshire B77 5BS.

PETER CARTWRIGHT

Materials

Polymer in car control systems

MATCHING THE sharply increasing electronics content in all types of road vehicles, Colvern, the Romford, Essex based subsidiary of Welwyn Electric. (Royal Worcester Group) has developed a conductive polymer that can be applied to rotary and linear potentiometres for use in electronic control systems.

Although such polymers are not a new idea, the company says its formula, which has British Standard approval to 20m revolutions, has a performance as yet unmatched.

It has been working closely with car, truck, and bus makers in the development of "pots" for engine management and electronic gearbox control. One example is a device that is actuated automatically as the accelerator is depressed, providing an electrical analogue of the pedal position.

The design is suitable for engine management under microprocessor control, allowing accurate monitoring and correction for any track wear after prolonged service. A second "digital" track runs round the outside of the device and is in segments of a few degrees. Then, as it is rotated, the device emits logical "on-off" signals from fourth terminal.

The conductive polymer is screen printed onto a substrate moulded in a compatible thermo-setting plastic material and a stoving process polymerises the track which becomes bonded to the substrate. End connections and tapping points are also screen printed and external connections are made by wires secured by conductive adhesives.

The tracks can be printed to a linearity of better than two per cent, but the law accuracy can be improved by selective removal of the edges. The temperature coefficient is better than 100 parts per million. More on Romford 62222.

GEOFFREY CHARLISH

Computing

Converting to Unix

THE RUSH to Unix, the Bell Laboratories multi-user operating system for 16 and 32 bit computers, shows no signs of slowing down.

Latest convert to Unix is Computer Automation of Irvine, California, which has just launched a desk top system — Datacase/5 — which runs Unix Version 7 System 3 and CARTOS, a real time operating system.

The new machine processes 1m instructions a second and costs £10,000 for an entry-level system and £30,000 for the most powerful configuration.

According to the company: "Computer Automation's implementation of Unix provides a high degree of confidence for OEMs (original equipment manufacturers). Benchmark performance results have shown CA's implementation meets or exceeds operating demands for applications requiring simultaneous, multi-user access of very large databases."

The system can support up to 28 on-line terminals; there is one megabyte of main memory and up to 80 megabytes of internal hard disk store. More on 0923 771211.

Engines

Tuning system

AN ENGINE tuning system that provides operators with a simple visual means of tuning two or four stroke diesel engines with any number of cylinders has been introduced by British Brown Boveri in Telford.

Called the MCDOT system, it was developed by the Brown Boveri group's Norwegian subsidiary for use on marine or stationary engines. More details are available on 0952 502000.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9½%
Amro Bank	9 %	■ Hill Samuel §	9½%
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9½%	Edward Manson & Co.	10½%
Bank of Ireland	9½%	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9½%	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland Ω	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10½%	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10½%	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9½%	P. S. Refson & Co.	9½%
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	10 %
■ Brown Shipley	9½%	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9½%
Cayzer Ltd.	9½%	Trustee Savings Bank	9 %
Cedar Holdings	10 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9½%	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ¶	10½%	Westpac Banking Corp.	9½%
Clydesdale Bank	9 %	Whiteaway Laidlaw	10 %
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9½%	Wintrust Secs. Ltd.	9½%
Consolidated Credits	9½%	Yorkshire Bank	9 %
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	10 %		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £7,000 6½%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account= 9.05%. Effective annual rate—9.43%.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

A year after the Paternoster takeover, **David Churchill** charts the UK stores group's recent progress

Woolworth: the hurdles still to jump

DONALD MacPHERSON, the UK paints manufacturer, is among the first of many Woolworth suppliers feeling the effects of the new broom sweeping through Britain's biggest retailer. Last December, for example, a stock pruning operation by the new Woolworth management cost MacPherson £2m in sales of its famous "Cover Plus" range. Last month Richard Harker, the 38-year-old ex-Asda executive brought in during the summer to beef up the Woolworth stores operation, ordered an even more ruthless £4m reduction in paint stocks.

Woolworth's new toughness with its suppliers, however, is one of the very few obvious signs of change in the store group since the Paternoster Stores financial consortium acquired the ailing stores chain for £310m over 10 months ago. Since then shoppers, City analysts, and other retailers have seen little sign that the "wonder of Woolworth" (to paraphrase one of the store's previous commercial jingles) is likely to re-emerge in the near future.

"We are still left wondering," says John Richards, a senior stores analyst with Capel Cure Myers.

Yet over the past 10 months, the new senior management team assembled by chairman and ex-British Sugar chief John Beckett has abolished one whole tier of middle management, sacked half the buyers, axed the "Shoppers World" discount operation and the "21st Century" shopping experiment, and tidied up some of the more glaring examples of over-stocking and poor lay-out in its stores.

But the efforts of Beckett and his new team have so far given little clue to the eventual course the stores chain will take. As Beckett himself points out: "No one should expect that a decline of a decade or more can be arrested and turned round in the short-term."

Beckett's thinking, meanwhile, embraces a seven year plan to get the new Woolworth into shape—a time span the institutions which bought the group seem happy to accept. But early frustrations are already apparent.

One of the first moves, for instance, was to grade all stores by 16 size classifications and four locational grades to see if any common denominators emerged. "They didn't," he says ruefully. "We had a lot of very good and very bad stores in each classification, so we had to start again from scratch." This meant looking at each of the 950 stores to see what the individual problems were and offer possible solutions. It is a process that is still going on.

Beckett's belief in a seven-year span for the new Woolies is perhaps significant. Two years ago, the Financial Times described the decline of Woolworth as a "parable of modern retailing," since it had lost its way in the changing markets of the 1960s and 1970s, and chronicled the "seven deadly sins" that had led to Woolworth's decline. Now, the new management team is offering its investors and customers what could be termed its "seven steps to salvation."

Step one: Good Housekeeping: Simply instilling some discipline into the mammoth stores operation (some 14m people shop in the stores each week) is paying dividends in the short-term for the new management. Last month's interim results revealed that losses in the six months ending July 30 had been reduced to £1.8m from £18.4m in the same period last year. This was achieved by trimming stock levels and weeding out the more obvious slow sellers, helped by an almost continuous price-cutting campaign. When the new management took over about a year ago, it found stocks worth some £525m—or about £10 for every man, woman and child in the country. Stocks are now running about £30m below last year's level—not good enough, the new management admits, but at least it's a start which should get better.

Step two: Management: Woolworth's top-heavy management structure has been slimmed down. The axe fell on three major regional offices (with 550 jobs lost). Responsibility for merchandising, construction and store lay-out was brought back to the head office in London. "The aim was to shorten the lines of control and communication," says Beckett.

Replacing the previous "store - district - region - head office" structure has been achieved by dividing the stores into two main groups: the large (18,000 sq ft or more) city centre stores and the smaller, but more numerous, town stores spread throughout the UK. The city centre stores have been split into north and south with about 50 stores in each, with a district manager responsible for six stores. The smaller stores are divided into six regions of 140 stores each, with a district manager covering 12 stores.

John Beckett: tough decisions ahead

The most prominent new faces at the new Woolworth have been at board level; ex-Asda chief executive Peter Firmston-Williams has been brought in as deputy chairman; Richard Harker was headhunted from Asda to look after store administration. Another retailing high-flier is Colin Brown, formerly deputy managing director of the Makro cash-and-carry chain. Beckett also brought three top men with him from British Sugar.

Step three: Buying: A buying job at Woolworth used to be considered very much a "perk" for long-service rather than the key executive role it should be. The result: years of poor buying policies and some sloppy pricing decisions. Not surprisingly, the new management quickly sacked half the buying department, but Beckett has resisted the temptation to poach new buyers from other retailers: "We've got a lot of good people in the company who just need the right direction and motivation," he says.

Buying is now totally centralised—the regions had a hand in it before. Special teams, including members from a new product / market research department (Woolworth had no marketing department at all before), are analysing markets and deciding what Woolworth should be selling, rather than what it is actually selling now. Stores still have some freedom in determining how much of each product to sell, but not whether they should stock the range in the first place.

Step four: advertising: It came as no real surprise to the retail or advertising worlds this summer when the new Woolworth management withdrew its £8.5m account from advertising agents Allen, Brady and Marsh. The ABM approach—trying to inject some glamour into Christmas commercials with stars such as Cliff Richard and Anita Harris—tended to promise rather more than Woolworth could offer and confused the store's image in the customer's mind.

ABM is still handling the account until Christmas. After that, McCann Erickson will have the challenge of creating a new image for Woolworth.

Step five: Service: A key problem identified by the new management was the quality of customer service. Woolworth's problems were compounded by the fact that staff were often too busy shelf-stocking and trying to remember where everything was in the store to pay full attention to customers' needs. The new management is tackling this by improving in-store sign-posts, so that customers know where to go without asking, and ensuring that staff are not kept busy doing tasks other than serving customers. Pay scales have also been raised, although wages are still below Marks and Spencer, the market leader.

In addition, staff are now better informed. Within a week of the interim financial results being published, all staff had been given special briefings on the company's financial performance.

Step six: Merchandise mix: Light bulbs still rub shoulders with lingerie and saucepans sit beside sun beds. This, of course, was the original rationale behind Woolworth's growth: a variety chain store that catered to every household need. Yet simply selling a lot of different products is no guarantee that any will sell well. Beckett acknowledges this: "We found that even though we are the leading paints retailer in the country, we were selling hardly any white spirit."

No radical changes, however, are expected in this merchandise mix. Rather, the combination of more professional buying and market research of products should improve the standard of what is on offer. A limited range of groceries, for example, has been re-introduced into some stores.

Most analysts and other retailers are sceptical of the new management's apparently wholehearted support for the variety store concept.

Beckett disagrees with this. "We are the market leaders in a number of significant product areas, such as DIY, fishing tackle, toys, confectionery, and so on," he claims.

Step seven: Experiments: A number of experiments in store lay-out and merchandise mix are being planned by the new management. Woolworth is giving little away but according to other retailers, one idea could be to use Woolworth stores as "shops within shops"—concentrating on a few areas and giving each its own display within a store. Another idea being canvassed by Woolworth-watchers is for a major expansion into limited range discount groceries, along the lines of KwikSave.

Yet Woolworth does not have a happy track record with new shopping experiments. The "21st century" store in Bristol, for example, opened with much fanfare in 1981 as the pattern for future retail outlets—was shut earlier this year.

Most other retailers feel that there is considerable scope in simply making the existing operations efficient. If the new management team could even reach the return on sales position of British Home Stores—a much smaller High Street rival—then pre-tax profits would be in the region of £110m or so. This would certainly keep the financial backers happy in the short-term.

But will this be enough? "Once you've cleared the dud stock and put in some financial and stock controls, you're still going to be left with the core problem that people don't want the Woolworth shopping concept any more," observes a senior executive with a rival retail chain.

City analysts are equally blunt. They point out that sales of J. Sainsbury and Marks & Spencer are in each case double those of Woolworth — in spite of the fact that Woolworth has four times as many stores as each of Britain's two most successful retailers.

Tough decisions still have to be taken before the Wonder returns to Woolies.

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Pension fund approval

I am a trustee of our firm's pension fund. What would be the consequences if approval were removed? Could you please say what actually transpires in that event to affect the fund and the trustees?

The Superannuation Funds Office of the Inland Revenue has been granted very wide discretionary powers to approve UK pension funds. To assist Pension Fund Trustees and their advisers the SFO have issued detailed practice notes setting out the conditions for approval. Where the trustees inadvertently fail to comply with the conditions for approval (which will normally be incorporated in the Trust Deed and Rules of the Plan) the SFO might well give the trustees a period of grace in which to take corrective action. However failure to take such corrective action or flagrant disregard of the conditions for approval would result in the SFO exercising its sanction to withdraw approval.

Such withdrawal of Inland Revenue approval would mean that the employer's contributions cease to be deductible as an expense for Corporation Tax purposes, that the employee contributions cease to qualify for expense relief, that the investment income, capital gains, etc. of the fund would become taxable and that any contributions paid by the employer in respect of an employee would be deemed to be income of the employee and taxed as such.

Such penalties could be retroactive if, for example, it were brought to the SFO's attention that the trustees had been operating in blatant disregard of SFO requirements from some earlier date or even since the establishment of the fund. As virtually all the SFO requirements are now incorporated in the Trust documents and rules then failure on the part of the Trustees to administer the scheme in accordance with the Trust Deed and Rules could lay them open to an action for a breach of trust by the employee members and/or their dependents to the extent that the latter are beneficiaries under the scheme.

It will readily be appreciated that the penalties that could result from the withdrawal of SFO approval are such that no pension fund trustee would knowingly connive at the flouting of SFO requirements. He would immediately insist on his co-trustees joining him to take the necessary remedial action. If refused then he should immediately submit his resignation by recorded delivery sending a copy to the company secretary of the principal company operating the scheme with a further copy to the Superannuation Funds Office of the Inland Revenue at Lynwood Road, Thames Ditton, Surrey KT7 ODP quoting the name of the scheme and if possible the Inland Revenue reference number.

As a matter of general practice all pension fund trustees should make a point of asking their company pensions manager for their schemes' SFO reference number and should keep a record of this in their personal files.

Retirement of farmer

I am a smallholder farmer. I understand that if, at 65, I sell the greater proportion of my business I can claim the first £100,000 Capital Gains Tax free. I have 59½ acres all told. Now I would like to retire and remain in the farmhouse, keeping 2 fields (one each side of the house). I would have no difficulty in selling the 50 acres as my neighbour is keen to buy it to add to his farm. Is this a large enough total of the whole to be able to obtain the full allowance? I should not farm at all if I made this sale.

First, we should perhaps make it clear that the statutory maximum retirement relief is still £50,000 (under section 124(3) (a) of the Capital Gains Tax Act 1979). However, on July 25, the Chancellor stated that he proposes (in the Finance (No. 2) Bill next year) to raise this figure to £100,000 retrospectively, from April 6 1983.

On the facts outlined, we consider that you have a strong chance of satisfying the local General Commissioners that the sale of 84 per cent of your farmland constituted the sale of part of your business. It is just possible, however, bearing in mind Mr Justice Fox's comments when giving judgement against the taxpayer in McGregor (Inspector of Taxes) v Adcock, that the Commissioners might decide that you had merely decided to cease farming, and simply sold land you had no further use for home-made tax avoidance.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Heavy discount hits RTZ issue, Page 42

WALL STREET

High-tech sector sets fast pace

STRONG FORM developed for Wall Street stocks yesterday and, brushing aside alarming developments in the Argentine debt situation, the market staged a determined rally from recent losses, *writes Terry Byland in New York.*

Stock prices surged ahead in the early afternoon when the Dow Jones Industrial average moved above the 1241 level. But the gains were halved by the end of the session when profit takers put in an appearance. The Dow average ended 5.39 higher at 1236.69 on healthy turnover of 90.8m shares. Share gains of 927 compared with losses of 646.

The best features came in the high technology sectors where IBM touched a new peak, but there were also good recoveries among airline, motor and chemical stocks.

One helpful factor was the steadiness of the bond market, where yields remained stable around the lower levels reached last month. While institutional interest remained thin in the bond market, traders seemed confident that September's easing of Federal Reserve credit policies augurs well for the rest of the year.

The search for market winners for the final quarter of the year sent the fund managers back into high technology shares. IBM was up $1¾ to $129⅞, a new twelve-month peak, and at least one sizeable block trade was recorded at this level. Honeywell jumped $2¾ to $127, National Semiconductor added $2⅛ to $54¾ and Teledyne at $164¾ was up $2¼.

Press review of prospects for Christmas sales of personal computers were an additional spur for IBM, which is believed to be planning new ventures in this field. Commodore International, still the most favoured of the personal computer makers, jumped $2¼ to $44¾ but Coleco, with shipments of its Adam System having been delayed, dipped $1⅛ to $31⅛.

On the American Stock Exchange, Wang Laboratories put on $⅞ to $34½ as Wall Street awaited confirmation of reports of a new personal computer able to store photographs and maps.

The build-up of competition in telecommunications was reflected in a jump of $1½ to $127 in NCR, which has formed a joint venture company to enter the inter-city U.S. communications business. AT&T was down $⅛ to $65 after announcing that it will cut long distance telephone rates next year in a bid to increase business.

Forecasts that the big three Detroit car makers will earn more than $1bn in the third quarter sent shares in GM up by $1⅛ to $74⅝, Ford by $2½ to $63⅜ and Chrysler by $⅜ to $30⅝.

In the chemical sector, where shares are likely to benefit as U.S. industry steps up to full pressure, Monsanto gained $2 to $112½ and Union Carbide at $67 gained $1¼.

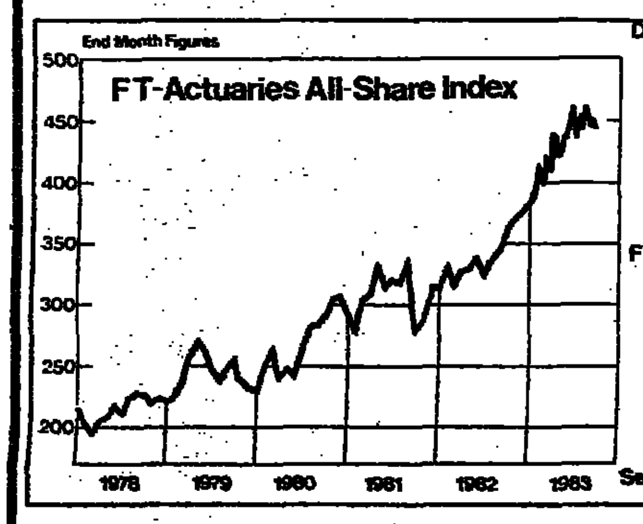
In the much battered airline sector Eastern rallied by $⅛ to $5⅝ as non-union workers accepted proposed pay cuts and non-executive directors backed the board. American Airlines, a sector favourite, put on a further $⅝ to $29, while among the international carriers, Pan American was up $⅛ at $7⅝ on news of a sharp jump in traffic last month.

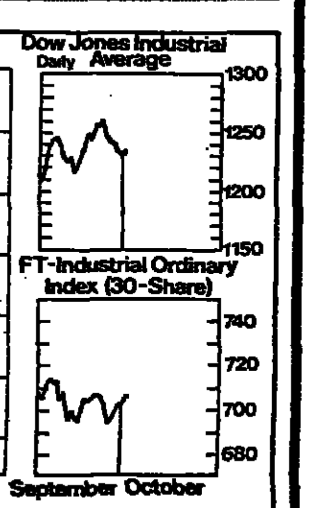
In the credit markets, the weekly Treasury Bill auction left matters much as they were. Although the Federal Funds rate eased from an opening 9⅝ per cent to 9⅜ per cent, there was little change in quotations for government issues. The three month bills eased by a couple of basis points to a discount of 8.72 per cent, with the six-month bill similarly easier at 8.89 per cent.

The key long bond edged higher at midday but ended the day unchanged at 104⅜.

Municipal bonds eased a shade in line with Federal issues, but there was a slightly firmer tone among corporate issues.

KEY MARKET MONITORS





STOCK MARKET INDICES

	Oct 4	Previous	Year ago
NEW YORK			
DJ Industrials	1236.69	1231.30	903.61
DJ Transport	568.08	560.79	363.01
DJ Utilities	136.80	135.12	115.86
S&P Composite	166.27	165.80	121.51
LONDON			
FT Ind Ord	708.2	703.7	576.8
FT-A All-share	445.39	444.81	358.69
FT-A 500	484.36	483.27	400.32
FT-A Ind	436.94	435.27	375.30
FT Gold mines	556.8	541.6	362.3
FT Govt secs	81.71	81.81	79.07
TOKYO			
Nikkei-Dow	9424.34	9450.1	6942.22
Tokyo SE	690.51	692.0	522.94
AUSTRALIA			
All Ord.	697.4	718.0	499.9
Metals & Mins.	536.0	568.2	391.4
AUSTRIA			
Credit Aktien	55.11	55.10	47.82
BELGIUM			
Belgian SE	130.89	130.97	100.33
CANADA			
Toronto Composite	2474	2466.1	1578.1
Montreal Industrials	442.73	441.81	288.01
Combined	420.34	419.39	273.51
DENMARK			
Copenhagen SE	195.70	196.2	89.71
FRANCE			
CAC Gen.	139.5	139.5	98.9
Ind. Tendance	148.5	149.7	114.3
WEST GERMANY			
FAZ-Aktien	317.38	317.26	234.41
Commerzbank	941.5	940.5	707.3
HONG KONG			
Hang Seng	690.06	715.01	816.23
ITALY			
Banca Comm.	192.11	193.51	160.98
NETHERLANDS			
ANP-CBS Gen.	142.1	142.1	86.7
ANP-CBS Ind	116.5	118.0	68.1
NORWAY			
Oslo SE	204.66	205.22	102.28
SINGAPORE			
Straits Times	953.44	962.84	654.19
SOUTH AFRICA			
Golds	748.1	748.1	564.6
Industrials	939.1	939.1	694.4
SPAIN			
Madrid SE	116.4	116.62	98.88
SWEDEN			
J & P	1433.69	1439.3	680.87
SWITZERLAND			
Swiss Bank Ind	335.1	334.3	254.3
WORLD	Oct 3	Prev	Yr ago
Capital Int'l	180.2	180.5	139.9

GOLD (per ounce)

	Oct 4	Prev
London	$394.375	$391.625
Frankfurt	$394.00	$391.125
Zurich	$394.50	$391.50
Paris (fixing)	$396.55	$394.20
Luxembourg (fixing)	$392.50	$393.25
New York (Oct)	$393.80	$390.90

* Indicates latest pre-close figure

CURRENCIES

(London)	U.S. DOLLAR Oct 4	U.S. DOLLAR Previous	STERLING Oct 4	STERLING Previous
$	–	–	1.475	1.484
DM	2.625	2.619	3.875	3.89
Yen	233.95	233.75	345.25	347.0
FFr	8.0075	7.9675	11.81	11.82
SwFr	2.115	2.109	3.1225	3.1325
Guilder	2.940	2.929	4.3375	4.35
Lira	1592.50	1587.50	2348.50	2355.5
BFr	53.45	53.21	78.85	78.95
C$	1.23275	1.23225	1.8175	1.8270

INTEREST RATES

Euro-currencies (three month offered rate)	Oct 4	Prev
£	9½	9 9/16
SwFr	4	4 1/16
DM	5⅞	5⅞
FFr	14¾	14¾
FT London Interbank fixing (offered rate)		
3-month U.S.$	9½	9 9/16
6-month U.S.$	9¾	9¾
U.S. Fed Funds	9⅜	9⅝
U.S. 3-month CDs	9.20	9.15
U.S. 3-month T-bills	8.64	8.75

U.S BONDS

Treasury	Oct 4 Price	Oct 4 Yield	Prev Price	Prev Yield
10⅜ 1985	100 21/32	10.47	100 21/32	10.47
11½ 1990	100 15/32	11.37	100 14/32	11.37
11⅞ 1993	102 27/32	11.40	102 22/32	11.40
12 2013	104 7/32	11.44	104 7/32	11.44
Corporate				
AT & T				
10⅜ June 1990	94⅞	11.60	69½	10.25
3⅞ July 1990	69½	10.25	69⅝	10.25
8⅜ May 2000	77¼	11.95	76⅝	12
Xerox				
10⅜ March 1993	93⅜	11.85	69⅝	10.25
Diamond Shamrock				
10⅜ May 1993	92	12.05	69⅝	10.25
Federated Dept Stores				
10⅜ May 2013	88.173	12.10	88.174	12.10
Abbot Lab				
11.8 Feb 2013	95.559	12.10	97.951	12.05
Alcoa				
12¼ Dec 2012	97.263	12.60	97.369	12.55

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	72–17	72–29	72–11	72–15
U.S. Treasury Bills (IMM) $1m points of 100%				
December	91.11	91.18	91.03	91.04
Certificates of Deposit (IMM) $1m points of 100%				
December	90.47	90.51	90.40	90.47
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.32	90.33	90.28	90.31
20-year National Gilt £50,000 32nds of 100%				
December	107–05	107–05	106–17	107–05

COMMODITIES

(London)	Oct. 4	Prev
Silver (spot fixing)	706.60p	698.20p
Copper (cash)	£965.50	£954.75p
Coffee (Nov)	£1861.00	£1841.50p
Oil (spot Arabian light)	$28.32	$28.37

JAPAN

Initial step backward from peaks

THE FIVE-DAY decline on Wall Street dampened investors' enthusiasm in Tokyo yesterday after previous resilience faded, pushing the Nikkei-Dow market average down by 25.76 to 9,424.34, *writes Shigeo Nishiwaki of Jiji Press.*

Volume continued to shrink, totalling 240.20m shares against 286.09m Monday. Losses outnumbered gains by 392 to 260, with 183 issues unchanged.

The 225-issue market indicator had attained new highs for the past two sessions, reflecting the yen's revived firmness against the U.S. dollar. But the continued drop in New York made investors in Tokyo wary of the previous day's high prices, and they turned to profit-taking.

Another reason prompting reluctance to invest further is the closure of the market for three days from this Saturday, as Monday is a national holiday, and because of uncertainty about the political reaction to the ruling due on October 12 on former Prime Minister Kakuei Tanaka in the Lockheed payoffs scandal.

Pharmaceuticals had already been depressed because of an industrial espionage case involving Fujisawa Pharmaceutical and suffered a further blow yesterday, after it was revealed that Toyama Chemical had illegally obtained data on antibiotics developed by Fujisawa.

Toyama rose Y1 to Y778 in the morning, but the news triggered off a barrage of selling in the afternoon and the issue finished the day amid sale orders at Y718, off Y53.

The news also sent other drug issues into a dive. The losers included Dainippon Pharmaceutical, down Y90 to Y3,380, and Yamanouchi Pharmaceutical, down Y30 to Y1,660.

Mitsubishi Heavy Industries, which had been a market favourite until Monday, came under profit-taking pressure and shed Y5 to Y265. Nippon Oil lost Y40 to Y1,190 and Toa Nenryo Y10 to Y1,250.

Also in the minus column were Oji Paper, off Y8 to Y458; Nippon Express, down Y7 to Y294; and non-ferrous metals like Nippon Mining, which declined Y10 to Y278.

A cautious mood prevailed in the bond market as the yen rate, which had been shooting up sharply, hovered at around Y234 to the dollar.

Leading securities houses unloaded their swollen holdings and the yield on 7.5 per cent government bonds maturing in January 1993 rose from 7.66 per cent on Monday to 7.695 per cent before closing the day at 7.69 per cent.

HONG KONG

BARGAIN-HUNTING began to be felt in Hong Kong yesterday afternoon as the pace of the sell-off slackened, still leaving the Hang Seng index 24.95 lower at 690.6, below 700 for the first time this year.

With some analysts now urging a re-entry, scattered short-covering curbed losses, although these were still sizeable at 60 cents for Cheung Kong at HK$5.70 and 50 cents for Hutchison Whampoa, its associate, at HK$8.

Sentiment remained depressed by banking sector troubles and the apparent inability of the local dollar to recover much ground. Hang Seng Bank shed HK$3.40 to HK$29.10 and Bank of East Asia HK$1 to HK$15.50.

SINGAPORE

A WEAKER Singapore showed similar hints of a rally to Hong Kong, with the Straits Times industrial index 9.40 off at 953.44 after an earlier dip of 14.

OCBC managed to hold at S$10.70 in active dealings and DBS picked up 10 cents to HK$9.70. Banks are not reflected in the index.

Grand Central finished at S$6 against a pre-suspension S$6.10 after the hotel group announced improved first-half results, a one-for-two rights issue and a similarly proportioned scrip.

EUROPE

Better rates but business bearish

A BETTER Swiss and Dutch interest-rate outlook did little yesterday to stimulate stock prices in those countries, while a Belgian assurance that rate rises to support the franc were not in prospect came too late to bolster sentiment. Buying incentive there and throughout the market was in notably short supply.

Trading in Stockholm took place against a background of business protests at government determination to legislate for wage-earner funds.

The funds, to be capitalised largely from a 20 per cent levy on corporate profits, would in the market's view erode any benefit of the additional priority of lowering inflation.

A period of correction, already under way and seen as necessary after months of consistent gains, continued yesterday in low volume. Strength was to be found among cyclical issues on lower earnings multiples, receiving brokers' recommendations.

A quarter-point cut in time deposit rates to 3½ per cent by major Swiss banks aided Zurich sentiment but failed to carry through into any broad mark-ups in stocks.

The lower rates spurred domestic bond price rises of some 20 basis points. A 4⅞ per cent SwFr 150m Canton of Zurich issue was priced at 101 and had been oversubscribed.

A removal by some Dutch banks of a half-point lending surcharge, in effect since August 11, brought selective Amsterdam gains. Even Ned Mid Bank, the first to make the move, added Fl 1.20 to Fl 157.

Royal Dutch remained under pressure of oil price uncertainties and an alleged U.S. Army claim against the company. It slid Fl 1.30 to Fl 132. Government bonds put on some 20 basis points in price on pension fund buying.

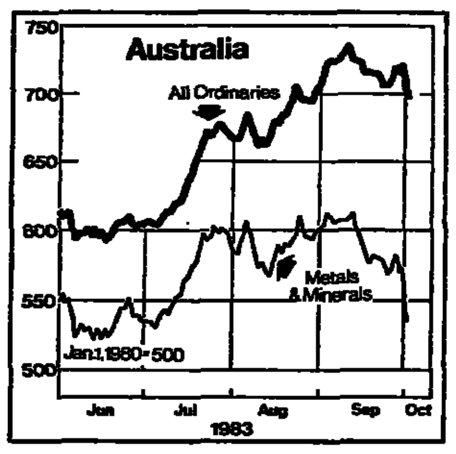
The strain on the Belgian franc was again felt in Brussels stock dealings, with Cobepa the worst affected: it fell BFr 275 to BFr 2,705. Hoboken, which concluded a copper refining deal in Zaire, jumped BFr 105 to BFr 4,700, helped also by a general rally in metals.

The French franc, along with its Belgian counterpart, both touched record lows against the D-Mark yesterday, but Paris was assisted by a quarter-point cut in call money – an overnight rate which, though volatile, often influences sentiment.

A featureless Frankfurt found order flow inadequate to establish a rally in the face of flat output figures. Banks were affected by fears over their Latin American exposure, with Deutsche Bank off DM 1.10 to DM 300.90 and Dresdner DM 1.60 to DM 170.40.

Government bonds finished slightly higher on news that the five-year issues Bundesobligationen bearing an 8 per cent coupon were being priced at par from today rather than the previous 99.4, thus reducing the yield by 15 basis points. The Bundesbank sold DM 15.9m of paper into the market.

Thin Milan dealings left stocks easier but bonds firmer and more active, while Madrid emerged slightly lower.



AUSTRALIA

THE COLLAPSE of the gold price stunned the Sydney market yesterday as it caught up from its Monday holiday, leaving the All Ordinaries index 14.1 lower at 697.4.

Resource issues were the largest losers. BHP fell 70 cents to A$12.20, Western Mining dropped 40 cents to A$3.80, while E Z Industries lost 20 cents to A$5.90.

Elsewhere, Weeks shed 17 cents to 95 cents, ERA yielded 10 cents to A$1.75 and Woodside a similar amount to A$1.34.

LONDON

Investors sojourn on periphery

TRADING CONDITIONS in London yesterday remained extremely quiet. With the long-awaited ½-point reductions in clearing bank base rates out of the way and on the view that any further reductions might be a long way off, investors lacked incentive and remained on the sidelines.

Interest in equities was again largely confined to special situations or companies reporting trading statements, and the FT 30-share index closed 4.5 higher at the day's best of 708.2.

The oil sector moved against the trend, falling on reports of lower spot prices and a probable world surplus next year, but closing levels were well above the day's lowest.

Due largely to the early weakness of sterling, gilts drifted lower and were soon showing falls to ⅜ in thin trading before steadying. Longs ended with falls to ⅛, while the shorts failed to show a decided trend.

Despite a fresh 25 point fall in the Hang Seng index, Hong Kong stocks traded in London rallied in places. *Details, page 35; Share Information Service, pages 36-37.*

SOUTH AFRICA

INSPIRATION was discovered in a slight recovery in the bullion price, encouraging Johannesburg investors to return to gold mine stocks yesterday.

Driefontein rose R3 to R34.75 reversing most of the previous session's R3.50 loss, while Buffels added R2 to R56.2. Gold Fields staged a R7.5 rally to R128.5.

CANADA

A RALLY, reversing many of the previous session's losses, brought Toronto stocks higher by mid-session yesterday.

Meanwhile, the Government's new C$850m bond issue was priced to yield between 10.11 for notes due in 1986 and 12.16 per cent for bonds maturing in 2005.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

[illegible]

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

EXCHANGE CHAIRMAN TESTS MOOD ON LONDON TRADING FLOOR

Goodison defends reform plan

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

SIR Nicholas Goodison, chairman of the London Stock Exchange, yesterday stepped up his campaign to head off mounting opposition within the stock market to key proposals that might lead to the market's most extensive period of change.

Last night, Sir Nicholas addressed members of the stock market on their trading floor at an hour-long private meeting. He detailed the background to an agreement reached between the stock exchange and the Government in June.

The Government has conditionally agreed to exempt the stock exchange from the legislation covering restrictive practices. The conditions are that the exchange admit outsiders to its system of government, and it dismantles its rules laying down minimum scales of commission for transactions in the market.

The stock exchange is holding a crucial vote of members next Tuesday on the issue of admission of outsiders to its council. Unless 75 per cent of those voting in favour of this key constitutional change, the rest of the agreement with the Government might be placed in jeopardy.

Sir Nicholas was challenged at last night's meeting and asked what would happen if the Government's bluff was called and the deal thrown out. Sir Nicholas said the stock exchange would then become subject once again to restrictive-practices legislation.

Another member at the meeting asked why the unimportant part of the deal with the Government was to be put to the vote – the question of the admission of outsiders – while the more important issue of the dismantling of commission scales was not. Sir Nicholas said there would be ample opportunity for members to make representations in writing on any proposed rule changes on the commission structure before the changes were implemented.

Within the stock market community, deep divisions are opening up as to how the deal with the Government should be implemented. The smaller firms have argued that they want commissions dismantled by stages, as agreed with the Government, until the end of 1986 so that they do not suffer undue hardship. The bigger stockbroking firms, such as De Zoete & Bevan, are in favour of changing the commission structure to a negotiated basis much more quickly and suddenly in a "big bang."

Once negotiated commissions arrangements are brought in, it is argued that it will be impossible to retain a separation of the functions of the broker – the buyer and seller of shares on behalf of clients – and the jobber – the market maker. The Government has said that the two functions should remain separate "for the time being."

Last night, members were concerned that the Government should not be inflexible in its present policy. Member firms argue that commercially there might be strong arguments for mergers and they do not want to see any legislation preventing them from forming links.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

R—R—R

S—S—S

T—T—T

U—U—U

V—V—V

W—W—W

X—Y—Z

NEW YORK CLOSING PRICES

Continued from Page 33

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADA

Stock	Oct 4	Ch'ge
[illegible]	[illegible]	[illegible]

DENMARK

Oct. 4	Price Kr	+ or
[illegible]	[illegible]	[illegible]

FRANCE

Oct. 4	Price Frs.	+ or
[illegible]	[illegible]	[illegible]

GERMANY

Oct. 4	Price Dm.	+ or
[illegible]	[illegible]	[illegible]

AUSTRIA

Oct. 4	Price Sch.	+ or
[illegible]	[illegible]	[illegible]

BELGIUM/LUXEMBOURG

Oct. 4	Price Frs.	+ or
[illegible]	[illegible]	[illegible]

NETHERLANDS

Oct. 4	Price Fls.	+ or
[illegible]	[illegible]	[illegible]

NORWAY

Oct. 4	Price Kroner	+ or
[illegible]	[illegible]	[illegible]

SPAIN

Oct. 4	Price Pesetas	+ or
[illegible]	[illegible]	[illegible]

SWEDEN

Oct. 4	Price Kronor	+ or
[illegible]	[illegible]	[illegible]

ITALY

Oct. 4	Price Lire	+ or
[illegible]	[illegible]	[illegible]

SWITZERLAND

Oct. 4	Price Frs.	+ or
[illegible]	[illegible]	[illegible]

AUSTRALIA

Oct. 4	Price Aust. $	+ or
[illegible]	[illegible]	[illegible]

HONG KONG

Oct. 4	Price H.K.$	+ or
[illegible]	[illegible]	[illegible]

JAPAN

Oct. 4	Price Yen	+ or
[illegible]	[illegible]	[illegible]

JAPAN (continued)

Oct. 4	Price Yen	+ or
[illegible]	[illegible]	[illegible]

SINGAPORE

Oct. 4	Price $	+ or
[illegible]	[illegible]	[illegible]

SOUTH AFRICA

Oct. 4	Price Rand	+ or
[illegible]	[illegible]	[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK — DOW JONES

	Oct 4	Oct 3	Sep 30	Sep 29	Sep 28	Sep 27	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transport	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Utilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trading vol 000's	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]				

STANDARD AND POORS

	Oct 4	Oct 3	Sep 30	Sep 29	Sep 28	Sep 27	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Composite	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

N.Y.S.E. ALL COMMON

Oct 4	Oct 3	Sep 30	Sep 29	1983 High	1983 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RISES AND FALLS

	Oct 4	Oct 3	Sep 30
Issues traded	[illegible]	[illegible]	1938
Rises	[illegible]	[illegible]	585
Falls	[illegible]	[illegible]	958
Unchanged	[illegible]	[illegible]	395

MONTREAL

	Oct 4	Oct 3	Sep 30	Sep 29	1983 High	1983 Low
Industrials	442.73	441.81	449.5	458.15	483.88(5/5)	328.12(4/1)
Combined	428.34	419.39	425.54	431.37	441.29(26/9)	319.4(5/5)
TORONTO Composite	2474.8	2466.1	2499.5	2540.0	2588.2(26/9)	1948.8(4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

	Oct 4	Oct 3	Sept 30	Sept 29	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80); Metals & Mins. (1/1/80)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AUSTRIA Credit Aktien (2/1/62)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BELGIUM Belgian SE (31/12/63)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DENMARK Copenhagen SE (1/1/83)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FRANCE CAC General (31/12/82); Ind Tendance (31/12/82)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GERMANY FAZ-Aktien (31/12/58); Commerzbank (Dec 1953)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HONG KONG Hang Seng Bank (31/7/64)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ITALY Banca Comm Ital. (1972)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
JAPAN** Dow Average (16/5/49); Tokyo New SE (4/1/68)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NETHERLANDS ANP-CBS General (1970); ANP-CBS Indust (1970)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NORWAY Oslo SE (4/1/83)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SINGAPORE Straights Times (1966)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SOUTH AFRICA Gold (1958)	—	748.1	809.3	836.4	1099.5 (1/2)	694.3 (29/8)
Industrial (1958)	—	939.1	951.4	956.8	988.7 (29/6)	704.9 (3/1)
SPAIN Madrid SE (31/12/82)	116.4	—	116.62	116.85	120.82 (18/7)	98.32 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1455.69	1459.80	1458.56	1474.95	1529.89 (6.9)	899.16 (3/1)
SWITZERLAND SwissBankCpn, (31/12/58)	335.1	334.3	334.7	334.4	347.0 (4/8)	294.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	180.2	180.5	181.5	183.9 (26/9)	164.3 (3/1)

(**) Saturday Sept 24: Japan Dow 9,314.00, TSE 687.66.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50: Standard and Poors—10: and Toronto—1,000: the last named based on 1975. † Ecluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

حكمة من الأصل

MARKET REPORT

Bowater and London Brick feature as index rises 4.5

Gilts trade quietly—Golds rally

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Sept 19	Sept 29	Sept 30	Oct 10
Oct 3	Oct 13	Oct 14	Oct 24
Oct 17	Oct 27	Oct 28	Nov 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

Trading conditions in London stocks markets yesterday remained extremely quiet. With the long-awaited ½-point reductions in clearing bank base rates out of the way and on the view that any further reductions might be a long way off, investors lacked incentive and remained on the sidelines. Other possible restraining influences being mentioned were a lengthy list of pending new issues and fears about a growing rights issue queue.

Interest in equities was again largely confined to special situations or companies reporting trading statements. Three FT 30-share index constituents claimed a fair amount of attention: **London Brick** stood out with a rise of 6 to 92p on rumours of a bid from **Hanson Trust. Bowater**, recovering from recent uncertainty, closed 12 higher at the day's best of 210p on speculative buying fuelled by takeover suggestions, while **Imperial Group** continued to reflect bid talk with a rise of 4 more to 127p. The FT 30-share index closed 4.5 higher at the day's best of 708.2 with late sentiment boosted by Wall Streets firmer opening. Overall, however, falls slightly outnumbered rises in FT-quoted industrials.

Other features on the equity scene included **Sears**, which highlighted Stores on much better-than-expected interim results. Recently buoyant on speculation concerning Allianz's near-30 per cent stake, **Eagle Star** reacted following the liquidation of speculative positions after the announcement that the latter's VG Instruments subsidiary is to be sold off.

The Oil sector moved against the trend, falling on reports of lower spot prices and a probable world surplus next year, but closing levels were well above the day's lowest.

Due largely to the early weakness of sterling, gilts drifted lower and were soon showing falls to ⅜ in thin trading before steadying. Longs ended with falls reduced to ⅛, while the shorts showed no decided trend.

South African Gold shares regained some composure after Monday's shake-out caused by marked weakness in the bullion price. A partial recovery, of $2¼, in the metal price to $394⅝ an ounce yesterday enabled golds to steady and move higher as recent selling dried up. Closing improvements among the heavyweights ranged to £3 and the FT Gold Mines index, at 556.8, retrieved 15.2 of Monday's fall of 39.7.

Despite a fresh 25 points fall in the Hang Seng index, Hong Kong stocks traded in London rallied in places. Quotations moved cautiously forward as a few cheap buyers appeared and Jardine Matheson improved 5 to 68p.

Banks with Hong Kong associations remained sensitive and Standard Charter slipped 5 more to 410p, while Hongkong and Shanghai hovered either side of the overnight level before closing the turn better at 52p.

Recent speculators in **Eagle Star** became unsettled by Allianz Versicherung's latest denial of talk that it was negotiating the sale of its 28 per cent stake; Eagle Star dipped to 470p prior to settling 10 down on balance at 480p. Awaiting today's interim results, **Hambro Life** improved 2 more to 416p.

D. and J. Security Alarms staged a successful debut in the Unlisted Securities Market; the shares opened at 82½p and settled at 81p compared with the placing price of 60p.

With the beer production figures for August continuing to have little apparent effect on the market, leading Breweries marked time for most of the session. A notable exception was provided by **Scottish and Newcastle**, which firmed 2 more to 98p reflecting yield considerations. Among Wines and Spirits, **Arthur Bell** announced preliminary profits in line with market estimates and, despite the near-20 per cent dividend rise, encountered scattered selling and dipped to a 1983 low of 132p before responding to "cheap" buying and settling for a net fall of 8 at 135p.

London Brick were actively traded on revived rumours about a possible bid from Tanson Trust and put on 6 to 92p. Other leading Buildings barely stirred, but **Blue Circle** encountered sporadic support in the late dealings and closed 7 dearer at 420p. Elsewhere, **Ibstock Johnsen** firmed 4 to 154p on talk of a broker's circular; the interim results are due on October 18. **Watts Blake Bearne** gained 8 to 166p, the increased dividend and cheerful statement outweighing the lower half-year profits. **Raine Industries** touched 21p before closing a penny dearer on balance at 20p following the good preliminary results. On the other hand, occasional small selling clipped 7 from **Henderson Group**, 173p.

Business in recently buoyant **ICI** subsided and the price fluctuated narrowly before closing without alteration at 548p. **Croda International** held at 91p, but the Deferred hardened a penny to 53p following the sale of the company's synthetic chemical interests to Shell for £14.5m. The warning about travel company losses affecting profits left **James Halstead** 7 down at 80p.

Shoes buoyant

Reflecting the excellent results from Sears, other Shoe and Leather concerns attracted useful support and closed higher across the board. **Ward White** rose 7 to 107p, after 108p, while similar gains were seen in **Lambert Howarth**, 178p, and **Styla**, 127p, the last-mentioned on second-thoughts about the reduced first-half deficit. **Strong and Fisher** continued to respond to persistent support ahead of the preliminary results and added 5 more for a two-day gain of 10 to 70p.

Leading Stores closed a shade easier for choice, although dealers reported an encouraging upturn in busines levels. Elsewhere, **Currys** held at 331p in the wake of Monday's interim results, but **Comet** attracted revived support and improved 7 to 300p. **J. Hepworth**, in contrast, again reacted to fading takeover prospects following Habitat-Mothercare's purchase of a sizeable stake in Richard Shops, and gave up 5 to record a two day fall of 10 at 174p. Speculators showed renewed interest in **K. O. Boardman International**, 1¼ up at 11¼, and **I. D. and S. Rivlin**, 3 up at 61p, after 57p.

Revived investment demand took **Thorn EMI** up 13 to 618p and **Cable and Wireless** 11 higher to 298p, but **Racal** remained out of favour and drifted back 3 to 201p. Secondary Electricals were highlighted by **Ward and Goldstone** which, amid talk of pending developments, jumped 15 to 98p. Other features included **Crystalate**, currently bidding for Royal Worcester, which rose 4 more to 174p, and **Fidelity Radio**, up 7 at 170p. **Air Call** picked up 15 further at 445p, but profit-taking in front of today's preliminary statement brought **Amstrad** back 25 to 475p. **Security Centres** lost 13 to 207p.

Leading Engineerings moved against the trend in quality stocks, particularly **Hawker Siddeley**, which closed 6 down at 296p, but the sector was not without the odd bright feature. **Meggitt** revived and touched 25p before ending a net 6½ up at 24p, while **Parkfield Foundries**, which announced on Monday that negotiations were taking place regarding a modest acquisition, rose 2 more to 21p. **Richards (Leicester)** gained 4 to 50p, but the profits warning took **Molins** down 6 more to 108p.

Leading Foods trended easier, but secondary issues displayed scattered gains. **Clifford's Dairies A** hardened a couple of pence to 100p following the interim statement, but **Somportex** shed that much, to 41p, on the much larger annual deficit and dividend cut.

Press comment on the high level of hotel bookings prompted fresh support for **Grand Metropolitan**, 8 higher at 333p. **Ladbroke**, a rising market recently on the Massachusetts deal, encountered profit-taking and relinquished 7 to 214p.

Sears please

Excellent interim results, which easily exceeded all market forecasts, took **Sears** to a year's peak of 87p before a close of 5½ higher on balance at 83p. **Bowater** were another prominent feature among Miscellaneous Industrials, rallying 12 in brisk trading to 210p following the cessation of recent speculation about fund-raising. **Christies International** jumped 16 to 286p on impressive mid-term results but **Cape Industries**, with first-half profits also up to best expectations, failed to hold a sharp initial rise to 135p and closed only a net 3 up at 130p.

Polly Peck remained firm at £30, up ½, on the disclosure of Legal and General's 5.1 per cent stake; associates **Cornell** picked up 8 at 253p and **Wearwell** 5 at 83p. After trading statements, **Silentnight** eased 3 to 77p, but **British Syphon** hardened a penny to 55p. **Hawley** weakened following the proposed sub-division of the shares to close 9 down at 147p. Elsewhere, **Highgate Optical** fell 11 to 115p, **William Baird** 14 to 270p and **Bifurcated Engineering** 4 to 42p. In contrast, **Kleen-E-Ze** gained 5 more to 80p, **Diamond Stylus** moved 3 up further to 29p and **Stonehill** revived with a spurt of 6 to 76p.

Fresh selling in an unwilling market left **Nimslo International** 6 down at 40p, after a low for the year of 39p.

Attention among Motor sectors again centred mainly on Distributors where **Lex Service**, a nervous market of late, rallied 10 to 323p on investment support reflecting reports of buoyant car sales.

Among advertising issues, **Aidcom International** were marked 5 higher to 90p following a favourable mention, while interest was also evident for **Carlton**, 13 better at 368p.

Already nervous on Press suggestions of an imminent halt to dealings in the company's shares pending the acquisition of Oric Computers, **Edenspring** reacted to 9p before closing a net 4 down at 9½p following the announcement that the Department of Trade intended to investigate the affairs of its subsidiary, Pennine Commercial. Elsewhere in the Property sector, **Cardiff Property** put on 10 for a two-day gain of 43 to 185p on bid hopes. Recently dull **Amalgamated Estates** rallied a penny to 9½p.

Shippings featured **P and O Deferred** which were briskly-traded on talk of a broker's circular and the shares settled for a gain of 4 at 230p, after 234p.

Major Textiles lacked support with **Courtaulds** easing a couple of pence to 96p, after 95p. Smaller-priced issues, however, made sporadic progress in places. **Ellenroad Mill** responded to fresh speculative support and advanced 6 to 28p, while **John Crowther**, firm recently after favourable comment, added a penny more to 31p awaiting today's half-timer. **A. Beckham** hardened a couple of pence to 84p following the annual results.

Among Tobaccos, **Imperial** again reflected a broker's circular and vague takeover rumours with a rise of 4 more to 127p.

Stockjobbers **Akroyd and Smithers** returned to the fore and advanced 10 to 403p amid persisting hopes of a change in regulations which will allow outside concerns to take interests in Stock Exchange member firms.

Oils uneasy

Oils became uneasy following reports of sharp losses on the London gas oil futures market and a statement from an Opec minister predicting a crude oil price collapse if world stockpiles were not reduced. However, share prices recovered sharply as gas and oil futures rallied and, with the notable exception of **Ultramar**, 13 down at 647p, falls were confined to single figures. **Shell** finished just 2 cheaper on balance at 594p, after 592p, while **Britoil**, down to 228p initially, closed a net 4 off at 230p. **Tricentrol** were active and reacted to 202p before settling only a couple of pence cheaper on balance at 210p. Among the speculative exploration issues, **Pict Petroleum** continued to attract interest and gained 8 more to 90p, but further profit-taking in the wake of last week's sharp gain left **Sun (UK) Royalty** 25 down at 325p. **Atlantic Resources** shed 10 to 515p and **Eglinton** 5 to 285p. **Keith Collins Petroleum** held at 37p; the price in recent issues was incorrect.

Rally in Golds

With the bullion price edging up steadily all day to close $2¾ to the good at $394¾, South African Golds staged something of a rally, although this was mostly of a technical nature, and jobbers were uncertain as to whether it can be sustained.

As with the previous day's steep declines, most of the interest centred around the heavyweights, with **Vaal Reefs** regaining 3 points to £73½, **President Brand** up 2¾ to £27¾, and **Kloof** 2½ better at £28½.

Buffels, up 1½ to £34½, and **Driefontein**, ¾ firmer at £20⅞, were also in demand, with most interest coming from South Africa, the Continent, and the U.S.

The Gold Mines index recouped 15.2 of the previous day's fall to finish at 556.8.

South African gold-based Financials rallied in line with the mines, notably **Gold Fields of South Africa**, up 1¾ to £77½.

Australians were mostly lower, where changed, with none of the leading stocks showing big movements, except for **Western Mining**, down 9 at 233p.

There were, however, some quite sharp declines among the smaller gold producers and exploration stocks, as in **Emperor**, which gave up 18 to 162p after 160p, **Kitchener**, 8 down at 94p, **Whim Creek**, 8 lower at 152p, after 148p, **Spargos**, 5 off at 25p, and **Samantha**, down 5½ at 56p.

Increased activity in Traded Options resulted in 3,538 contracts being done—2,342 calls and 1,196 puts. The upturn owed much to the strength of the underlying share price of **Imperial Group** following a broker's encouraging circular; Imps accounted for 870 calls, with 252 struck in the November 120's and 167 in the November 130's, and 326 puts, 188 of which were transacted in the November 130's. Operators also showed interest in **P and O Deferred** in which 172 calls were traded, 100 in the November 180's. **Lonrho** returned to favour and, in a relatively evenly-balanced business, attracted 157 calls and 119 puts, while **Grand Metropolitan**, responding to reports of increased hotel bookings, recorded 198 calls and 178 puts.

FINANCIAL TIMES STOCK INDICES

	Oct. 4	Oct. 3	Sept. 30	Sept. 29	Sept. 28	Sept. 27	year ago
Government Secs.	81.71	81.81	81.88	81.90	82.07	82.13	79.07
Fixed Interest	84.20	84.26	84.29	84.18	84.20	84.15	80.45
Industrial Ord.	708.2	703.7	702.6	699.7	696.9	694.0	576.8
Gold Mines	556.8	541.6	581.3	601.5	622.6	623.7	362.3
Ord. Div. Yield	4.73	4.76	4.76	4.78	4.81	4.84	4.96
Earnings, Yld.% (full)	9.40	9.46	9.46	9.51	9.66	9.61	10.97
P/E Ratio (net) (*)	13.32	13.23	13.24	13.17	13.09	13.03	10.93
Total bargains	21,055	18,883	21,200	21,024	19,007	21,349	16,850
Equity turnover £m.	—	177.27	240.81	180.77	163.75	181.81	144.19
Equity bargains	—	16,941	19,544	15,180	15,875	15,655	13,704
Shares traded (ml)	—	112.7	153.0	126.4	98.9	111.2	99.2

10 am 706.3. 11 am 705.7. Noon 705.7. 1 pm 705.8. 2 pm 705.7. 3 pm 706.0.

Basis 100 Govt Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 12.52.

HIGHS AND LOWS / S.E. ACTIVITY

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low		Oct. 3	Sept. 30
Govt. Secs.	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)	—Daily Gilt Edged Bargains	150.1	128.7
Fixed Int.	84.74 (15/6)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains	109.1	126.6
					Value	358.3	486.7
Ind. Ord.	740.4 (22/6)	598.4 (12/1)	740.4 (22/6/83)	49.4 (26/6/40)	5-day Avrge Gilt-Edged Bargains	147.1	150.9
Gold Mines	734.7 (15/2)	531.8 (28/6)	734.7 (15/2/83)	43.5 (26/10/71)	Equities Bargains	105.1	105.7
					Value	381.8	393.8

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (58)

LOANS (2)
Nationwide 10¹¹⁄₁₆pc 30/4/84 — Nationwide 10⅞pc 29/5/84

AMERICANS (6)
Cons. Food — Honeywell
Esmark — IBM Corp.
Florida Pwr. & Lt. — Quaker Oats

BANKS (1)
ANZ

BUILDINGS (3)
Helical Bar — Rain Inds.
McCarthy & Stone

CHEMICALS (1)
Hoechst

STORES (2)
Debenhams — Ward White

ELECTRICALS (8)
A.B. Electronic — Microlease
Air Call — Pressac
C.A.S.E. — Sony Corp.
Micro Bus. Systems — Ward & Goldstone

ENGINEERING (4)
Braithwaite — Meggitt
Cohen (A.) — Richards (Leicester)

FOODS (2)
Dee Corp. — Pyke Hldgs.

INDUSTRIALS (7)
Continental Group — Kleen-E-Ze
Crean (J.) — Sears Hldgs.
Diamond Stylus — Stonehill
Francis Inds.

MOTORS (2)
Honda Motor — Solex A

PAPER (3)
Carlton Comms. — Cropper (James)
Clondalkin

PROPERTY (1)
Cardiff Prop.

SHIPPING (1)
P. & O. Defd.

SHOES (2)
Lambert Howarth — Strong & Fisher

TRUSTS (13)
Argo Inv. — Robeco (Br.)
Crescent Japan — Do. Sub. Shares
Drayton Japan — Rolinco
G.T. Japan — Do. Sub. Shares
Investing in Success — Akroyd & Smithers
New Tokyo Inv. — Int. Inv. Tst. of Jersey
Safeguard Indl.

NEW LOWS (18)

BREWERS (3)
Bell (Arthur) — Marston Thompson
Highland Dist.

BUILDINGS (1)
Leyland Paint

ELECTRICALS (4)
Electro-Protective — SCUSA Inc.
Mnemos — Security Centres

ENGINEERING (2)
Howden Group — Molins

INDUSTRIALS (5)
Beatson Clark — Macpherson (D.)
China Light & Pwr. — Silverthorne
Johnson Matthey

LEISURE (1)
Nimslo Internatl.

TRUSTS (1)
Rosedimond Inc.

OILS (1)
Petrocon

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	6	61	34
Corpns., Dom. and Foreign Bonds	3	29	39
Industrials	227	267	887
Financial & Props.	94	90	335
Oils	11	56	46
Plantations	—	1	19
Mines	49	67	50
Others	75	47	62
Totals	466	618	1,472

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or —	Net Div.	Times Covered	Gross Yield	P.E. Ratio
10	F.P.	—	24	20½	✠A. & M. Hire 10p	23½	......	b0.1	11.1	0.6	14.8
¶¶	F.P.	—	160	108	Assoc. Telecom	110	......	b2.0	3.1	2.6	17.6
¶435	200	10/2	220	202	Brit. Petroleum	204	n/v	20.25	1.9	6.8	12.2
200	F.P.	—	215	195	††Bryson Oil & Gas20p	215	+5	—	—	—	—
‖‖	F.P.	—	170	168	✠Cent'l IndTVN/V50p	168	......	—	—	—	34.4
§60	F.P.	—	82½	78	✠D.J.Sec't'sAl'ms10p	81	......	t2.1	b2.7	3.7	10.1
¶200	F.P.	26/8	250	200	DPCE Holds. 5p	220	+5	b2.0	3.6	1.3	26.8
140	F.P.	—	170	157	✠Flextech 10p	157	—5	—	—	—	23.6
60	F.P.	—	72	65	✠Freshbake Foods5p	65	......	bg1.7	2.7	3.7	11.4
§17½	F.P.	12/8	24	20	✠Gilbert Hse Invs. 10p	21	......	—	—	—	—
200	F.P.	—	218	205	Goring Kerr 10p	212	......	b5.0	2.1	3.4	20.2
¶128	F.P.	23/9	186	154	Int. Signal & Control A	186	+4	uQ2c	4.0	0.7	34.5
¶¶	F.P.	—	72	55	Ivory & Sime 0.1p	60	......	u0.25	11.6	0.6	20.52
—	F.P.	—	28	21	Lon. Midland IndD'fd	28	+8	—	—	—	—
§63	F.P.	—	71	70	✠Mainmet Hldgs 10p	70	......	—	—	—	74.5
11	F.P.	5/9	35	25	✠Metal Sciences 2½p	35	......	—	—	—	—
§150	F.P.	—	161	156	✠PCT Group 10p	160	......	b4.8	2.1	4.3	15.0
95	F.P.	12/8	94	87	Park Food 10p	89	+2	u3.0	2.0	4.8	15.1
¶¶	F.P.	—	35	32	P'sonal AssetsTst 12½p	34	......	—	—	—	—
§111	F.P.	26/8	254	165	✠P'lyt'chnicM'rine5p	235	—2	ud2.0	1.9	1.2	—
100	F.P.	2/9	85	78	✠Tech. for Bus. 10p	80	......	b4.2	6.0	7.5	11.1
83	F.P.	15/9	90	85	✠Thermal Scientific	87	......	b2.3	2.8	3.8	15.6
¶	F.P.	23/9	19	16	Yorks&Lancs Inv. W's	17	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or —
99.296	£25	29/11	28	22	Allied-Lyons 11¾% Deb 2009	26½	......
¶¶	F.P.	—	129	102	Atlantic Met'n (UK) 12% UL 91/97	104	......
—	£20	28/10	23¾	18	Bristol 11½% Red. 2008	21	—¾
96.95	£25	21/10	27¾	22½	C.C.C. Economic 12¼% Gtd. Ln. 2013	26	......
99.75	F.P.	25/11	135¼	106¼	Cigna Overseas Finance 13% Ln. 2008	105¼	......
100	F.P.	27/10	102½	101	E'tbourne W'rworks12½pcR.Deb.2004	102½	......
100p	F.P.	9/9	103p	101p	FKI 7% Red Cnv Pref	101p	......
‖	F.P.	21/10	103¼	100	Fleming Am. Inv Tst 7% Cnv Uns Ln 99	101	......
⁂	F.P.	30/9	104p	101p	Fuller, Smith & Turner 8% 2nd Cm. Prf	104p	+½
¶100p	25p	9/12	33¼p	25p	LASMO 9⅝% Cum Red Pref	33½p	......
—	—	—	100⅝	100⅛	Nationwide 11¼% Bds 20/8/84	100⅝	......
—	—	—	100½	99⅞	Do 11% Bds 3/9/84	100½	+⅛
—	F.P.	—	109½p	106p	Oceonics 10¾% Cum. Red. Pref. 1993	109p	+1
§100	F.P.	—	98⅛	92	Oldham 11¼% Red 2010	96½	—1
§100	F.P.	—	103p	102p	Rockware 7.7% Cum. Cnv. 2nd Pref.	102p	......
98.579	£25	31/8	98	93½	Trafford Park Est. 11¾% 2007/11	95½	—½
97.941	£25	14/10	28¾	23¼	Transport Dev 12½% Uns Ln 2008	27	—¼
99.898	F.P.	20/9	129⅝	102¾	Watn'yM nn&Trum'n12¼% Red.Deb.2008	102¾	......
103.5p	—	—	102p	95½p	Weir 10% Red Cum Pref	98p	+1
99.124	£25	25/10	28¾	23¾	Westland 12⅝% Deb 2008	28	......
¶¶	F.P.	23/9	107	100	Yorks & Lancs Inv 13¼% Deb 2003	107	......
¶100	F.P.	—	102	102	York Waterworks 6.75pc Red.Pref1988	102	......

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983 High	1983 Low	Stock	Closing price	+ or —
92	F.P.	—	—	119	104½	Anglo-Indonesian	105	......
80	Nil	—	—	10pm	9pm	Assoc. Paper	10pm	......
1250cts	Nil	—	—	68pm	42pm	Barlow Rand 10cts	44pm	—2
1	Nil	—	19/10	4½pm	2¾pm	Bridgend Proc. 'A' Ord. 1p	4pm	......
25	Nil	—	—	4pm	2½pm	C. H. Industrials 10p	2½pm	—½
48	F.P.	—	28/10	48¾	46	Cambrian & Gen. Sec.	46	......
65	F.P.	—	28/10	68	64	" " Cap. 7½p	65	......
50	Nil	—	—	5pm	4pm	✠Coleman Milne 10p	5pm	......
20cts	Nil	—	—	8½pm	1½pm	Eagle Corp'n. 10cts	7¼pm	—1
440	F.P.	—	—	550	502	Exco Int'l. 10p	550	+5
82	F.P.	—	28/10	89	72	✠Floyd Oil 10p	72	—8
83	Nil	—	—	10pm	2pm	Garnar Booth	4½pm	......
40	Nil	—	14/10	64	51	Group Lotus Car 10p	63	—1
17	F.P.	—	—	20	18	Helene of London 10p	18	......
20	Nil	—	—	32ppm	29ppm	Inter-City Inv. 20p	30ppm	......
50	F.P.	—	—	88	72	‡‡Marinex Pet. 10p	76	—5
35	Nil	—	—	10pm	5½pm	Munton Bros. 10p	5½pm	......
A$2	Nil	—	—	73pm	63pm	Nat. Com. Bk Aust. $A1	63pm	......
80	F.P.	—	21/10	87	81½	Nesco Invs.	83	—3
20	F.P.	15/9	21/10	29	24	Parkdale 10p	28	......
11	Nil	—	—	10pm	4pm	✠Parkfield Foundries 5p	10pm	+2
120	F.P.	—	—	129	122	Pritchard Servs.	129	......
95	F.P.	—	14/10	143	125	Steinberg 10p	135	......
310	F.P.	—	25/10	368	352	Tate & Lyle £1	356	......
210	Nil	—	—	30pm	15pm	Utd. Newspapers	25pm	+2

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3).

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Bell (Arthur)	135	— 8
Bowater	210	+12
Britoil	230	— 4
Buffels Gold	£34½	+ 1½
Eagle Star	480	—10
Imperial Group	127	+ 4
Lex Service	323	+10
London Brick	92	+ 6
P. and O. Defd	230	+ 4
Sears Hldgs	83	+ 5½
Tricentrol	210	— 2
Ultramar	647	—13

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 26	Oct 7	Dec 22	Jan 3
Oct 10	Oct 21	Jan 5	Jan 16
Oct 24	Nov 4	Jan 19	Jan 30

For rate indications see end of Share Information Service

Stocks favoured for the call included GRA, London Brick, Palliser Resources, Arlen, Security Centres, Weeks Australia, First National Finance, Eden Spring, Rotork, North Kalgurli, Meekatharra, Low and Bonar, Aurora 9 per cent Preferred, Bowater, Jardine Matheson, Combined Technology, Phoenix Properties, Marling and Tozer Kemsley and Millbourn. A put was done in John Finlan, while a double was completed in Edenspring.

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of	Mon. price	Day's change
Currys	17	331	+ 1
Barlow Rand N	16	46pm	—14
Brdmn K.O. Int	15	10	— 2½
Cons Gold Flds	14	535	—20
RTZ	14	580	—25
B. H. Prop	12	738	—22
De Beers Defd	12	536xd	—41
Barclays Bk	11	447	—10
UBM	11	121	— 4
BTR	10	546	—
Imperial Group	10	123	+ 4
Midland Bank	10	412xd	— 9
North Kalgurli	10	68	— 5
Lon & Liv Trust	9	51	— 3

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues Oct 4 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon Oct 3 Index No.	Fri Sept 30 Index No.	Thurs Sept 29 Index No.	Wed Sept 28 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (201)	449.49	+0.1	9.22	3.94	14.00	448.99	448.12	448.69	448.62	428.54
2	Building Materials (24)	429.11	+0.4	10.92	4.80	11.53	427.20	429.61	430.58	427.63	352.84
3	Contracting, Construction (29)	685.48	−0.1	13.39	5.19	9.35	686.45	692.19	694.04	697.73	648.67
4	Electricals (36)	1663.09	+0.5	7.97	2.28	16.30	1654.50	1637.82	1639.25	1641.83	1828.09
5	Engineering Contractors (10)	436.66	−1.0	15.10	6.36	8.22	441.24	440.91	445.67	444.25	449.55
6	Mechanical Engineering (59)	192.58	−0.7	12.48	5.84	10.04	193.92	194.74	194.39	194.65	192.25
8	Metals and Metal Forming (9)	161.13	−1.6	11.72	7.28	10.33	163.76	163.51	164.81	163.32	128.49
9	Motors (18)	111.10	+0.9	—	4.64	—	110.13	110.20	110.63	110.78	72.73
10	Other Industrial Materials (16)	535.52	−0.2	5.82	4.37	22.81	536.60	537.96	539.23	538.32	348.48
21	CONSUMER GROUP (198)	436.46	+0.5	10.44	4.45	11.72	434.39	434.46	433.71	431.97	371.53
22	Brewers and Distillers (25)	447.85	+0.6	12.51	5.08	9.98	445.19	442.19	440.40	440.28	402.90
25	Food Manufacturing (22)	340.93	+0.8	13.46	5.89	8.67	338.16	338.31	338.12	338.55	307.89
26	Food Retailing (13)	991.17	−0.1	7.33	2.57	17.62	991.98	994.76	995.33	991.64	811.09
27	Health and Household Products (9)	753.22	−0.1	5.92	2.72	20.00	754.19	758.87	754.54	745.63	585.36
29	Leisure (23)	579.90	+0.5	8.71	4.68	14.86	577.08	573.71	568.04	565.22	430.03
32	Newspapers, Publishing (15)	949.57	+0.3	9.04	5.01	13.32	946.40	949.29	950.28	947.89	529.20
33	Packaging and Paper (14)	193.18	+1.4	10.63	5.14	11.60	190.46	189.76	187.73	184.27	141.39
34	Stores (47)	396.88	+0.7	8.08	3.79	16.73	394.30	394.65	394.79	392.71	353.23
35	Textiles (20)	207.27	−1.1	12.18	5.59	9.80	209.61	208.98	209.13	209.32	167.34
36	Tobaccos (3)	426.80	+1.4	23.35	7.45	4.79	421.07	423.08	427.07	429.05	418.35
39	Other Consumer (9)	425.65	−0.2	5.98	4.90	—	426.36	425.11	425.11	424.16	288.61
41	OTHER GROUPS (86)	383.07	+0.6	8.34	4.47	15.12	380.66	379.51	379.19	376.86	260.89
42	Chemicals (15)	536.69	+0.2	8.42	4.72	15.54	535.87	538.80	533.98	521.72	329.39
44	Office Equipment (6)	187.14	−0.7	8.95	4.79	14.26	187.92	187.11	188.64	189.60	99.25
45	Shipping and Transport (14)	745.49	+0.7	7.65	5.46	17.78	740.59	737.60	738.98	741.33	531.83
46	Miscellaneous (51)	508.86	+1.2	8.35	4.08	14.39	502.86	498.57	500.34	502.85	364.54
49	INDUSTRIAL GROUP (485)	436.94	+0.4	9.72	4.29	12.86	435.27	434.83	434.56	433.22	375.30
51	Oils (15)	1001.87	−0.5	11.24	5.96	10.80	1006.86	1008.92	1023.47	1025.87	678.78
59	500 SHARE INDEX	484.36	+0.2	9.99	4.58	12.44	483.27	483.04	484.04	483.02	408.32
61	FINANCIAL GROUP (124)	325.83	−0.2	—	5.87	—	326.53	328.67	330.50	329.44	246.23
62	Banks (6)	340.22	−0.4	25.24	7.50	4.32	341.44	349.32	355.44	355.10	252.27
63	Discount Houses (8)	317.76	+0.3	—	8.52	—	316.84	316.89	317.09	315.01	282.21
65	Insurance (Life) (9)	448.40	−0.1	—	4.96	—	449.07	448.50	448.28	449.46	380.26
66	Insurance (Composite) (10)	223.28	−0.6	—	6.88	—	224.73	225.78	225.44	223.71	158.44
67	Insurance Brokers (7)	551.63	+0.1	12.31	5.27	11.13	550.94	552.04	553.28	552.80	534.25
68	Merchant Banks (12)	188.77	−0.3	—	4.93	—	189.28	189.35	191.20	192.18	139.51
69	Property (54)	465.77	+0.2	4.15	4.03	21.76	464.77	464.09	467.16	464.30	400.35
70	Other Financial (18)	234.60	−0.1	11.88	5.78	10.14	234.94	235.27	236.67	233.87	158.24
71	Investment Trusts (108)	439.51	−0.1	—	3.99	—	439.79	439.59	440.63	440.53	333.50
81	Mining Finance (4)	285.06	+0.4	8.56	5.12	14.51	283.90	295.25	299.50	305.20	211.82
91	Overseas Traders (14)	480.48	−0.8	7.46	7.80	20.58	484.58	486.33	489.49	487.93	353.31
99	ALL-SHARE INDEX (750)	445.39	+0.1	—	4.88	—	444.81	445.53	446.86	446.11	358.69

FIXED INTEREST

	PRICE INDICES	Tues Oct 4	Day's change %	Mon Oct 3	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.05	−0.00	117.32	0.25	8.70
2	5-15 years	130.23	−0.09	130.34	—	10.70
3	Over 15 years	140.04	−0.14	140.24	—	10.29
4	Irredeemables	152.44	−0.21	152.76	—	2.90
5	All Stocks	128.95	−0.08	129.12	0.09	9.94
6	Debentures and Loans	104.04	+0.04	104.00	—	8.80
7	Preference	78.88	+0.01	78.87	—	5.77

	AVERAGE GROSS REDEMPTION YIELDS		Tues Oct 4	Mon Oct 3	Year ago (approx)
	British Government				
1	Low Coupons	5 years	9.82	9.84	8.99
2		15 years	10.07	10.06	10.45
3		25 years	9.78	9.75	10.63
4	Medium Coupons	5 years	11.20	11.17	11.47
5		15 years	10.89	10.87	11.46
6		25 years	10.37	10.35	10.95
7	High Coupons	5 years	11.25	11.24	11.51
8		15 years	11.09	11.07	11.67
9		25 years	10.45	10.43	11.10
10	Irredeemables†		9.77	9.75	10.68
11	Debs & Loans	5 years	12.14	12.15	12.44
12		15 years	12.00	12.01	12.57
13		25 years	11.91	11.91	12.58
14	Preference†		12.54	12.54	13.14

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$375	—	—	3	39	—	—	$394.75
GOLD C	$400	88	9.10	45	22	1	33	"
GOLD C	$425	58	4	124	13.10	20	22	"
GOLD C	$450	14	2	52	7	56	13.90	"
GOLD C	$475	1	0.70	—	—	—	—	"
GOLD C	$550	5	0.10	—	—	—	—	"
GOLD P	$375	165	3.50	26	6	—	—	"
GOLD P	$400	70	11.50	20	14.20	64	18	"
GOLD P	$425	35	34	—	—	3	36.50	"
GOLD P	$450	12	59	—	—	—	—	"
		Dec.		March		June		
SILV C	$11	65	0.40	28	0.85	24	1.30	$10.40
SILV C	$12	168	0.20 A	36	0.55	2	0.90	"
SILV C	$15	3	0.15	35	0.30	38	0.60	"
SILV P	$10	8	0.40	—	—	—	—	"
SILV P	$11	4	0.80 A	—	—	—	—	"
		Oct.		Jan.		Apr.		
ABN C	F.380	8	1.80	29	15	—	—	F.367.50
ABN C	F.400	33	0.40	3	7.50	—	—	"
AKZO C	F.65	30	15	—	—	—	—	F.80.20
AKZO C	F.70	66	10.50	22	12.70	8	15 B	"
AKZO C	F.80	298	2.20	77	6.90	24	8.50	"
AKZO C	F.90	—	—	94	2.50	22	4.10	"
AKZO P	F.70	—	—	74	0.90 B	18	2.10	"
AKZO P	F.80	29	1.40 B	21	4.50	5	6	"
AMRO C	F.65	18	0.70	41	3.20	9	4.50	F.62.50
HEIN C	F.120	30	16	27	19.50	—	—	F.136.80
HEIN C	F.130	55	6.40	4	12.30	—	—	"
HEIN C	F.140	72	1.70	9	7.20	6	12.50	"
HOOG C	F.40	8	0.20	151	1.70	152	3.70	F.35
HOOG P	F.30	—	—	34	1 A	—	—	"
HOOG P	F.35	—	—	—	—	165	3.40	"
KLM C	F.150	141	4.50	24	13.40	3	17 B	F.151.50
KLM C	F.160	58	1.20	66	9	5	13	"
KLM C	F.170	20	0.50	65	5.80	—	—	"
KLM P	F.150	76	3	9	8	2	11	"
NEDL C	F.90	—	—	50	11	—	—	F.96
NEDL C	F.100	14	1.20	26	5	—	—	"
NEDL P	F.80	85	0.10	—	—	—	—	"
NEDL P	F.90	66	0.40	4	2.70	2	5	"
NEDL P	F.100	38	4	—	—	—	—	"
NATN C	F.160	30	15	5	18	8	20	F.175.50
PHIL C	F.45	336	2.70	228	5.50	9	7 B	F.47.30
PHIL C	F.50	206	0.60	287	3	119	4.60	"
PHIL C	F.55	167	0.10	337	1.60	49	2.70	"
PHIL P	F.40	110	0.10	30	0.70	6	1.50	"
PHIL P	F.45	244	0.50	440	2	38	2.60	"
PHIL P	F.50	132	3	10	4.60	17	5	"
RD C	F.110	27	22.50	—	—	—	—	F.131.90
RD C	F.130	360	4.10	293	10.50	19	14	"
RD C	F.140	327	0.90	332	5.30	54	8.50	"
RD C	F.150	28	0.20	135	2.80	47	5 A	"
RD P	F.130	104	1.50 B	930	4.50	13	5	"
RD P	F.140	363	8	19	9.50	14	10.20	"
UNIL C	F.220	40	11.50	10	15.80	1	20	F.231.40
UNIL C	F.240	20	1	119	6.10 B	2	10.50	"
EOE C	F.140	—	—	20	11.50	—	—	F.146.46
EOE P	F.140	—	—	2	2.60	—	—	"
EOE P	F.145	—	—	8	4.80	5	7	"
EOE P	F.150	—	—	—	—	1	10	"

TOTAL VOLUME IN CONTRACTS: 14,836

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*434)						
360	74	84	—	1½	3	—
390	46	56	66	1½	4	10
420	22	34	44	5	14	20
460	2	14	24	32	36	42
Cons. Goldfields (*537)						
500	50	65	72	6	14	20
550	17	40	55	28	42	50
600	4	19	30	70	80	87
650	1½	8	14	117	125	130
Courtaulds (*96)						
66	32	—	—	—	—	—
76	22	26	—	0½	2	—
86	13	17	—	0¾	3	—
90	—	—	18	—	—	6
96	4½	9	—	3½	7	—
100	—	—	11	—	—	10
110	1	4	6½	14	17	19
Commercial Union (*166)						
130	37	—	—	1½	—	—
140	27	31	34	1½	4	6
160	9	15	19	5	8	13
180	2	6	9	20	23	26
G.E.C. (*194)						
180	18	26	32	2½	7	9
200	5	14	20	13	16	18
220	1	6	13	28	26	28
240	1	3	7	48	48	48
260	0¾	1	—	—	—	—
Grand Met. (*333)						
300	35	42	50	1½	6	9
330	9	22	29	8	16	22
360	2	7	12	32	35	38
390	1	2½	6	63	68	65
I.C.I. (*548)						
420	132	144	—	1	3	—
460	92	104	—	1	4	—
500	52	64	72	3	9	14
550	12	30	40	12	24	36
600	4	13	20	54	62	70
Land Securities (*310)						
280	32	37	43	1	4	7
300	14	24	31	3	9	14
330	1	9	14	23	28	33
Marks & Spencer (*207)						
180	29	35	42	1	3	4
200	12	21	27	4	7	11
220	2	8	14	17	20	22
Shell Transport (*592)						
460	136	148	—	1	1	—
500	98	108	—	1½	5	—
550	50	68	72	3	8	14
600	12	28	38	18	28	34
650	2	14	20	58	64	70

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*447)						
460	15	34	45	23	28	35
500	4	17	25	55	57	64
550	1	5	13	—	105	105
Imperial Group (*127)						
110	15	23	25	1	2	4
120	9½	15	18	3½	6	9
130	4	8	—	8	10	—
LASMO (*298)						
300	20	35	50	18	27	33
330	10	25	38	45	48	52
360	3	10	23	73	75	78
390	3	7	16	103	103	105
Lonrho (*99)						
90	13	15	—	1	2½	—
100	6	7½	11	4	8	10
110	1	4	6	12	15	17
P. & O. (*229)						
180	51	57	—	1	2	—
200	32	38	44	2	2	3
220	14	23	31	4	7	9
240	4	12	18	16	18	20
Racal (*201)						
220	—	14	22	—	24	26
230	3	9	16	30	32	34
250	2	5	10	50	50	50
275	1	2	—	75	75	—
300	1	—	—	—	—	—
R.T.Z. (*579)						
550	50	70	—	10	25	—
583	28	47	—	20	47	—
600	17	37	50	29	57	65
650	5	18	30	73	88	90
700	1	7	17	123	128	133
Vaal Reefs (*$109)						
110	6½	14	15½	7	13	15½
120	3	9½	12	13	19	22
130	1½	6	8	21½	26	27½
140	½	4	6	31	33½	34½

Option	Calls Dec.	Calls Mar.	Calls Jun.	Puts Dec.	Puts Mar.	Puts Jun.
Beecham (*316)						
300	30	38	45	12	15	22
330	16	22	28	21	30	38
355	6	12	—	48	50	—
385	3	7	—	75	78	—
Bass (*330)						
300	43	50	63	4	8	12
330	22	32	42	14	20	25
De Beers (*805)						
800	60	92	115	35	47	55
850	37	65	85	65	75	90
900	17	42	65	100	120	125
Guest Keen (*164)						
160	—	24	30	—	12	14
175	7	—	—	15	—	—
180	—	10	15	—	22	25
200	2	6	—	38	39	—
Hanson (*222)						
200	27	33	40	4	7	11
220	13	20	28	11	16	19
Tesco (*166)						
160	18	23	28	6	9	13
180	7	11	15	16	18	22

Oct. 4. Total Contracts 3,538. Calls 2,342. Puts 1,196.

* Underlying security price.

BRITISH FUNDS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
102⅛	100⅛	Exch. 13½pc '83	100⅛	−1/32	13.44	9.08
100⅛	98⅛	Exch. 10pc 1983	100⅛	−1/16	9.99	9.05
99¼	96¼	Funding 5½pc '82-84‡‡	99⅛	..	5.55	8.75
101¼	99½	Exch. 11¼pc 1984	100⅛	..	11.19	9.45
104⅛	100⅛	Exchequer 14pc 1984	102⅜	+1/16	13.68	9.96
95¼	92½	Exch. 3pc 1984	95½	−1/16	3.14	9.67
102⅛	100⅛	Treasury 12pc 1984	102⅛		11.76	9.70
107⅛	104⅛	Treasury 15pc 1985	105⅛	.....	14.20	10.41
107	101⅛	Exch. 12pc Cnv. '85	102⅛	.....	11.70	10.07
92⅛	88⅝	Treasury 3pc 1985	92	−1/16	3.26	8.34
102½	99⅝	Treasury 11½pc 1985	102⅛	−1/16	11.27	10.14
102	95	Treas 8¼pcCnv '85	98⅛	−1/16	8.92	9.82
103⅝	100⅛	Exch 12¼pc 1985	103⅛	−1/16	11.88	10.52
102⅝	99⅛	Exch. 11¼pc '86	102⅝	+⅛	11.48	10.64
101⅛	97¼	Treas 10pc Cnv 1986	99⅛	−1/16	10.04	10.14
88½	85⅝	Treasury 3pc 1986	87⅛		3.43	8.46
101⅛	97⅛	Exch 10½pc Cv '86	99⅝	−⅛	10.54	10.60
103⅛	100⅛	Treasury 12pc '86	102⅝	+1/16	11.72	10.91
95⅝	94⅛	Treasury 8½pc '84-86‡‡	95½	..	8.90	10.38
114	103¼	Treas 12¼pc '86 Cnv	108	−⅛	11.34	8.89
109⅛	105⅛	Exch. 14pc 1986	107⅛xd	.	13.02	11.03
107⅛	103⅝	Exch. 13¼pc 1987	105¾	.	12.53	11.07
98⅛	95⅞	Tr 10¼pc Cv '87	98⅛	−1/16	[illegible]	10.[illegible]
84⅛	80¼	Exchequer 2½pc 1987	81⅛	+1/16	3.07	8.91
100⅛	95⅞	Exch. 10½pc 1987	98⅛xd	−⅛	10.65	11.00
93¼	88⅛	Funding 6½pc '85-87‡‡	89⅛xd	+⅛	7.28	10.16
21⅛	20	Treas 10pc '87 (£20pd)	20⅜	−1/16	10.27	10.88
86	80¼	Treasury 3pc 1987	81½		3.68	8.86
104⅝	99⅞	Treas 12pc 1987	102⅛xd	−1/16	11.67	11.14
93¼	89⅛	Treasury 7¾pc '85-88‡‡	90⅝	+⅛	8.55	10.48
101½	95½	Exch 10½pc '88	98⅛	−1/16	10.65	10.93
30	30	Treas 9¾pcCv '88(£30pd)e	30		10.10	10.72
81½	75¼	Transport 3pc '78-88	77⅛	.	3.88	8.95
		Five to Fifteen Years				
96¼	90¼	Treas. 9½pc '88	93⅝xd	−⅛	10.09	11.04
104⅝	95¼	Treasury 11½pc 1989	102⅛	−⅛	11.42	11.29
101	94¼	Treas 10½pc 1989	100¼	.	10.86	11.27
83¼	76	Treasury 5pc '86-89	79¼xd	.	6.30	9.58
112½	103	Treasury 13pc 1990‡‡	110¼	−⅛	12.11	11.31
108¼	100⅞	Exch. 12½pc 1990	105⅝	−⅛	11.88	11.35
92	86¼	Treasury 8¼pc '87-90‡‡	91⅛	−⅛	9.29	10.60
106¼	97	Treasury 11¾pc 1991	104½		11.55	11.37
83	74⅛	Funding 5¾pc '87-91‡‡	78¼xd	−⅛	7.34	9.98
103	95⅞	Exch. 11pc 1991	98½xd	−⅛	11.19	11.17
114⅛	102	Treasury 12¾pc '92‡‡	110⅛	.	11.83	11.26
99⅝	88¼	Treasury 10pc 1992	97		10.44	10.76
110¼	98½	Exch. 12¼pc '92	106½		11.65	11.31
116	106½	Exchequer 13½pc '92	111⅝	−⅛	12.15	11.47
113¼	101¼	Treasury 12½pc '93‡‡	109⅞	−⅛	11.68	11.27
79⅛	71	Funding 6pc 1993‡‡	75⅞	.	7.94	9.92
120¼	110½	Treasury 13¾pc 1993‡‡	119⅛	.	12.04	11.34
125¼	112⅛	Treasury 14½pc '94‡‡	120⅝		12.16	11.30
117⅝	109½	Exchequer 13½pc 1994	112¼xd	−⅛	11.94	11.35
113⅞	100½	Exch. 12½pc 1994	109½	−⅛	11.62	11.25
94⅛	86¼	Treasury 9pc '94‡‡	93⅞	−⅛	9.96	10.47
112	98	Treasury 12pc '95	107⅛	−⅛	11.45	11.23
65¼	61½	Gas 3pc '90-95	63⅝xd	−⅛	4.70	7.80
101¼	88¼	Exch. 10¼pc 1995	97⅝	−⅛	10.73	10.93
116⅛	106⅛	Treasury 12¾pc '95‡‡	115¼	.	11.51	11.10
126⅛	110	Treas. 14pc '96	120⅛	−¼	11.94	11.34
93¼	83¼	Treasury 9pc '92/96‡‡	90⅛	−⅛	10.01	10.47
133⅛	121¼	Treasury 15¼pc '96‡‡	125⅛xd	−⅛	12.05	11.26
121⅛	109¼	Exchequer 13¼pc '96‡‡	119⅛	−⅛	11.60	11.12
69¼	58	Redemption 3pc 1986-96	69½	+¼	4.32	6.52
123⅝	107	Treasury 13¾pc '97‡‡	117⅛	.	11.56	11.10
103⅞	89½	Exchequer 10½pc 1997	99	−¼	10.75	10.82
92	80½	Treasury 8¾pc 1997‡‡	88⅛	.	9.99	10.46
131⅝	120¼	Exch. 15pc 1997	124½xd	−¼	11.96	11.35
78⅛	69½	Treasury 6¾pc '95-98‡‡	74¼xd	−⅛	9.03	10.10
137⅝	124¼	Treas. 15½pc '98‡‡	130⅛	−¼	11.91	11.28
		Over Fifteen Years				
114½	101	Exch 12pc 1998	111⅝	−⅛	11.21	11.01
98	86¼	Treasury 9½pc 1999‡‡	94⅛	−⅛	10.26	10.47
115⅝	103¼	Exch 12¼pc 1999	109½	−¼	11.22	11.00
104¼	92¼	Treasury 10½pc 1999	102½	−¼	10.66	10.69
123	106	Treas. 13pc 2000	118½	−¼	11.25	10.94
128⅞	113¼	Treas. 14pc '98-01	125⅝	.	11.68	11.19
116⅝	99¼	Exch 12pc '99-02	110⅝	..	11.10	10.88
130	111	Treas 13¾pc 2000-03	123⅝	−⅛	11.40	10.98
113⅝	99¼	Treasury 11½pc '01-04	107½	.	10.75	10.61
50	43½	Funding 3½pc '99-04	48¼	.	7.38	9.13
122⅛	106½	Treasury 12½pc '03-05	119¾	−⅛	10.86	10.66
87½	77¼	Treasury 8pc '02-06‡‡	82¼xd	−¼	9.67	9.92
117⅝	99	Treasury 11¾pc 03-07	111⅝	−⅛	10.76	10.60
129¼	115	Treas 13½pc '04-08	123½	−¼	10.96	10.69
65½	53¼	Treasury 5½pc '08-12‡‡	61¼	−¼	8.96	9.40
87⅛	71⅞	Treasury 7¾pc '12-15‡‡	82¼	−¼	9.60	9.71
122⅛	106¼	Exch. 12pc '13-'17	121	−⅛	10.24	10.15
		Undated				
42	35¼	Consols 4pc	40	....	10.18	—
37½	31¼	War Loan 3½pc‡‡	36½	−⅛	9.92	—
47¼	37½	Conv 3½pc '61 Aft	47¼	...	7.41	—
32	28¼	Treasury 3pc 66 Aft	30xd	.	10.08	—
25¼	22¼	Consols 2½pc	25xd	..	10.00	—
25⅞	22⅛	Treasury 2½pc	24¼	....	10.11	—
		Index-Linked			(1)	(2)
106	98⅞	Treas. 2pc I.L. '88	103¼	−⅛	2.92	3.33
111¼	99⅞	Do. 2pc I.L. '96	104¼	−¼	3.22	3.35
98	91½	Do 2½pc Cnv '99	96⅞	−⅛	2.68	2.86
103⅞	93¼	Do 2½pc I.L. 2001	95⅝	.	3.07	3.17
104	91¼	Do. 2½pc I.L. 2003	95¼	−¼	2.99	3.14
107½	94¼	Do. 2pc I.L. 2006	98¼	−¼	2.94	3.07
104½	91¼	Do. 2½pc I.L. 2009	95⅝	−⅛	2.90	3.03
109½	97	Do. 2½pc I.L. 2011	100⅛	−⅛	2.88	3.00
100¼	88¼	Do 2½pc I.L. 2016	92¼	−⅛	2.82	2.93

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
120	102½	Australia 13½pc 2010	115	..	12.00	11.93
120	85	Euro Inv Bk 11pc Ln 2002	95xd	−½	11.62	11.70
107¼	103½	Finland 14½pc Ln 1986	106		13.67	11.75
104¼	90⅛	Int-Am Dev Bk 12½pc 2003	103¼	.	12.47	12.45
106½	102½	Int. Bank 13½pc 1986	104½xd	.	12.91	11.41
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS

Public Board and Ind.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS—continued

Financial

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Building Societies

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS, H.P. & LEASING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON SHARE INFORMATION SERVICE

BANKS—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, Leasing, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES & SPIRITS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY AND STORES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING MACHINE TOOLS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

هكذا من الأصل

هكذا من الأصل

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
23	9¼	Keep Trust 5p	12¼	......	‡0 15	—	‡	—
210	140	Kelsey Inds.	185	......	8.0	1.7	6.2	12.7
155	110	Kershaw (A.) 5p.	150	......	‡15 0	0.6	‡	(22.0)
80	39	Kleen-E-Ze Hldgs.	80	+5	3.0	ϕ	5.4	ϕ
101	52	L.C.P. Hldgs.	91	......	3.6	1.2	5.6	(20.5)
32	14	LDH Group	27	......	—	—	—	—
132	95	L.R.C. Int. 10p.	110	−1	h2.95	2.3	3.8	14.4
34	17	Lamont Hldgs. 10p	34	....	†1.3	1.8	5.5	13.2
40	26	Lawtex	35	......	—	—	—	—
480	345	Lep Group 10p.	465	−5	17.5	0.3	5.4	64.5
36	22	Lilleshall 10p.	34	......	d1.0	—	4.2	—
350	42	Lon. & Liv. 10p	50	−1	h2.75	3.5	7.9	4.5
135	97	London & Mid'd.	102xd	+2	7.75	1.1	10.9	11.4
110½	38	Lon. & Nthn. Grp.	70	−1½	F4.2	ϕ	8.6	9.9
40	23	♥Lon. Pri. Health	27	+1	—	—	—	13.5
65	46	Longton Inds.	60	....	1.0	—	2.4	—
120	70	Low & Bonar 50p	114	......	†5.0	2.8	6.4	(6.3)
48	32½	MCD Group	46	......	u1.0	2.2	3.1	21.8
87	62	♥MMT Computing 5p.	80	......	b1.68	2.6	3.0	18.6
26	16	M.Y. Dart 10p.	24	....	0.1	—	0.6	—
212	134	M'c'rthy Ph. 20p	150	......	7.0	2.7	6.7	7.1
148	128	Macfarlane Gp.	145	......	†3.52	2.1	3.5	17.7
46	33	Macllellan 20p.	34xd	−1	d1.5	1.6	6.3	12.2
63	45	Macpherson (D.)	45	−3	4.2	0.6	13.3	(16.6)
56	41	Magnolia Group	52	......	2.3	3.2	6.3	6.1
180	65	Man. Ship Can. £1	135	......	3.5	6.8	3.8	4.1
73	48	Marley	70	+3	†2.5	0.5	5.1	(63.0)
45	30½	Marling Ind. 10p.	45	......	1.08	1.7	3.4	(20.3)
34	25	Marshall L'sy. 'A'	25	......	‡1.2	—	‡	—
68	44	Marshall's Univ.	54	......	B—	—	—	186.5
32½	23	Martin-Black	29	......	—	—	—	—
£130	£90	♥Mathesons 7¾%	£90	......	Q7¾%	2.3	18.6	—

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
20½	13½	♥ACM 20c.	18½	......	—	—	—
52	32	Allstate Expln NL	46	−2	—	—	—
40	9	♥Austrain Mng. NL	30	......	—	—	—
25	11	Balmoral Resources	19	−1	—	—	—
60	37	♥Black Hill Mins.	44	−5	—	—	—
85	51	♥Bond Corp.	80	......	Q10c	ϕ	7.5
183	116	♥Bougainville 1 Kina	145	−1	m03.42c	1.2	1.4
372	204	♥CRA 50c.	335	−3	t03c	—	0.5
145	60	♥Carr Boyd 20c.	75	......	—	—	—
43	18	♥Central Pacific.	31	......	—	—	—
9	2¼	♥Cons Gold Mng Areas.	4	+¼	—	—	—
17	5	♥Coopers Res N.L.	10½	......	—	—	—
255	183	♥Crusader Oil	220	......	—	—	—
18	8	♥Cultus Pac NL	12½	−½	—	—	—
19	7	♥Eagle Corp 10c.	15	−1	—	—	—
225	96	♥Emperor Mines.	162	−18	—	—	—
14	8	♥Endeavour 20c.	10	−½	—	—	—

Miscellaneous

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	55	Admiral Mines	80	−10	—	—	—
90	34	♥Anglo-Dominion	65	......	—	—	—
93	54	♥Anglo Utd. Dev.	72	−5	—	—	—
172	60	♥Colby Res Corp.	150	......	—	—	—
530	315	Cons. Murch. 10c.	480	−30	‡Q60c	1.9	‡
240	170	Hampton Areas 10p	226	−2	3.75	2.3	2.2
215	103	♥Highwood Res.	200	−2	—	—	—
£24½	£18	Homestake Mining $1	£19¾	−⅝	Q20c	—	0.7
495	330	Northgate C$1	335	−5	—	—	—
672	437	R.T.Z.	580	......	17.0	2.9	4.2
£147½	£108	Do.9¾%Cnv.Ln.95-2000	£129½	+1	Q9½%	32.5	7.5
190	13	♥Sabina Inds C$1	87	−3	—	—	—
For Southwest Res see Oil & Gas							
750	312	♥Tara Exptn $1	700	−15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ‡ USM: not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- $ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv. 20p.	64	......
Bdg'wtr. Est. 50p.	285xd	......
Craig & Rose £1	£10½	......
Finlay Pkg. 5p.	37xd	......
Graig Ship. £1	5¾	......
Higsons Brew.	88	......
Holt (Jos) 25p.	910	......
I.O.M. Stm. £1	135	−5
Pearce (C. H.)	475	......

IRISH

Stock	Price	+ or −
Nat. 9¾% 84/89	£87¾	......
Fin. 13% 97/02	£95¾	−⅛
Alliance Gas	88	......
Arnott	205	+2
Carroll (P.J.)	105	....
Concrete Prods.	75	....
Heiton (Hldgs.)	17	......
Irish Ropes	33	....
Jacob	81	......
T.M.G.	68	....
Unidare	74	......

OPTIONS

3-month Call Rates

Industrials

Stock	Rate
Allied-Lyons	13
BOC Grp.	20
B.S.R.	20
Babcock	15
Barclays Bank	45
Beecham	32
Blue Circle	45
Boots	16
Bowaters	22
Brit. Aerospace	19
B.A.T.	24
Brown (J.)	3½
Burton Ord.	35
Cadburys	11
Courtaulds	10
Debenhams	14
Distillers	20
Dunlop	6
Eagle Star	45
F.N.F.C.	5½
Gen. Accident	42
Gen. Electric	18
Glaxo	75
Grand Met.	90
G.U.S. 'A'	50
Guardian	45
G.K.N.	16
Hawker Sidd	28
House of Fraser	20
I.C.I.	45
"Imps"	11
I.C.L.	7
Ladbroke	22
Legal & Gen.	45
Lex Service	32
Lloyds Bank	48
"Lofs"	4
London Brick	10
Lucas Inds.	15
"Mams"	14
Mrks. & Spncr	20
Midland Bank	40
N.E.I.	10
Nat. West. Bank	55
P & O Dfd.	21
Plessey	19
Racal Elect.	20
R.H.M.	7
Rank Org. Ord.	20
Reed Intnl.	32
Sears	8
T.I.	13
Tesco	17
Thorn EMI	55
Trusthouse	16
Turner & Newall.	7
Unilever	70
Utd. Drapery	22
Vickers	12
Woolworth Hld.	30

Property

Stock	Rate
Brit. Land	8½
Cap. Counties	14
Land Sec.	28
MEPC	20
Peachey	16
Samuel Props.	11
Town & City	4

Oils

Stock	Rate
Brit. Petroleum	38
Burmah Oil	17
Charterhall	9
KCA	6
Premier	6
Shell	55
Tricentrol	22
Ultramar	65

Mines

Stock	Rate
Charter Cons.	28
Cons. Gold	58
Lonrho	9
Rio T. Zinc	62

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

Authorised Units—continued

[illegible]

Offshore and Overseas—continued

[illegible]

Insurances—continued

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

Financial Times Wednesday October 5 1983

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum.	114.6	120.7	+0.2	—
Do. Initial	111.2	117.1	+0.2	—
Man. Pens. Accum.	242.5	255.3	-1.0	—
Do. Initial	200.7	211.3	-1.0	—
Gilt Edg. Pens. Accum.	209.7	220.8	-0.6	—
Do. Initial	167.0	175.8	-0.6	—
Money Pens. Accum.	186.2	196.1	+0.3	—
Do. Initial	150.2	158.2		—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	231.39			—
Managed Inv. Fd.	156.88	165.14		—
Property Fd.	150.30	158.22		—
Fixed Interest Fd.	141.61	149.07		—
Cash Fd.	135.42	142.55		—
Income Fd.	172.51	181.59		—
Extra Income Fd.	162.92	171.50		—
Worldwide Growth Fd.	229.64	241.69		—
Balanced Fd.	173.22	182.34		—
Smlr Co's & Recy. Fd.	207.34	218.26		—
Int. Technology Fd.	261.70	275.49		—
Nth. Amer. & Gen. Fd.	164.70	173.37		—
Energy Int. Fd.	107.92	113.60		—
Pacific Basin Fund	125.75	132.37		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	112.1	118.0		—
Property	107.0	112.7		—
Equity	110.3	120.3		—
International	128.8	135.5		—
Fixed Interest	101.4	106.7		—
Deposit	99.0	104.2		—
Managed Pen. Cap.	113.1	119.0		—
Property Pens. Cap.	106.2	111.8		—
Equity Pens. Cap.	109.2	114.9		—
Intnl. Pens. Cap.	135.4	142.5		—
Fixed Int. Pens. Cap.	99.3	104.5		—
Deposit Pens. Cap.	97.1	102.2		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	123.2	129.7	+1.5	—
GT Pln High Yld Fnd.	116.6	122.8	-0.5	—
GT Plan Far East Fnd.	125.6	127.7	+1.3	—
GT Pln N Am Fund	144.8	151.6	+0.6	—
GT Pln UK&G.E. Fnd.	130.6	137.5	-0.3	—
GT Pln Wrldwde Fnd.	136.0	143.2	+0.7	—
GT Pension Bnd Fnd.	132.2	139.2	+1.3	—
GT Pen High Yld Fd.	132.9	139.9	-0.7	—
GT Pen Far East Fd.	140.9	148.4	+1.8	—
GT Pen N. Am. Fd.	211.8	223.0	+1.0	—
GT Pen UK & G E. Fd.	151.5	159.5	-0.3	—
GT Pen Worldwide Fd.	145.2	152.9	+0.8	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	166.9	175.7		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	249.3			—
Portfolio Fd. Init.	206.7			—
Portfolio Fd. Cap.	238.3			—
Investment A/cs.	249.2	262.4		—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	1,536			—
Landbank Secs.	66.15			—
Landbank Scs. Acc.	185.6	190.4		—
G. & S. Super Fd.	£11.376			—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	305.6	318.3		—

GRE Linked Life Assurance Limited

Managed Initial	207.9	218.9		+0.3
Do. Accum.	230.6	242.8	+0.3	—
Equity Initial	259.4	273.0	+0.5	—
Do. Accum.	287.7	302.8	+0.6	—
Fixed Int. Initial	190.6	200.7	-0.5	—
Do. Accum.	211.4	222.6	-0.6	—
International Initial	214.1	225.4	-0.6	—
Do. Accum.	[illegible]	[illegible]	[illegible]	—

OFFSHORE AND OVERSEAS

COMMODITIES AND AGRICULTURE

U.S. to retaliate on EEC fats and oils tax plan

BY NANCY DUNNE IN WASHINGTON

WITNESS AFTER witness had the same grim message at the House Agriculture Committee hearing in Washington yesterday on the proposed EEC tax on fats and oils.

It was that the tax and planned EEC restrictions on imports of maize (corn) gluten feed and citrus pellets would result in immediate and strong retaliation.

"The EEC Commission estimates that $600m (£406.6m) in additional revenue will be generated from the fats and oils tax," Mr Donald M. Nelson, Assistant U.S. Trade Representative, told the committee.

"They do not cite the savings they intend by restricting imports of corn gluten feed but I would wager that in neither case have they considered the losses in revenue to them that trade retaliation by the U.S. and other countries would cause."

Reaction to the commission proposals has been building up. Now clearly the Reagan Administration and legislators have agreed a unified opposition position.

Ranking officials from the State, Treasury, Commerce and Agriculture departments are raising the issue at all bilateral meetings with Community officials. An interagency group has started work on a list of retaliatory measures by the

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BRITISH MARGARINE prices are likely to rise by about 20 per cent in the next few months, reflecting the recent rise in soyabean oil values, writes Barbara Dalzell.

Unilever, which has about a 50 per cent share of the UK margarine market, raised retail prices on Monday by an average 2p per 500 grammes. More rises are likely.

The move was in line with a decision by Unilever's Dutch office to introduce a three-stage rise of 20 per cent in The Netherlands and plans to bring in similiar increases in other markets.

Soyabean oil prices rose by about 40 per cent in August alone, and by about 60 per cent in the past three months. Prices have, however, eased in the past two weeks, on expectation of better U.S. yields.

U.S.

If there is any disagreement among U.S. officials and agricultural interests it is about the form retaliation should take. While many producer-groups would like to see retaliation against motor-vehicle and steel imports, the Agriculture Department is reportedly determined not to widen the trade war beyond agricultural products. Beer, cheese and wine imports could well be threatened.

Some Congressmen want a wholesale dumping of the U.S. dairy surplus on the open market. Exporters suggest the U.S. counters EEC protectionism by subsidising U.S. exports in competition with European sales in third-country markets.

The EEC proposals would affect trade worth about $5bn, about 60 per cent of total U.S. agricultural exports to the Community in 1982, Mr Alan Tracy, Deputy Under-Secretary of Agriculture, said at the hearing. This is more than the value of U.S. imports from the EEC of wine, champagne, beer, cognac, cheese and scotch whisky combined.

Several witnesses claimed the tax would just be the start of more restrictive measures on soyabeans and soyabean products — "a foot in the soyabean door."

With the expected accession of Spain and Portugal to the EEC there would be great pressure to increase the fats and oils tax on soyabean oil to pay costs of supporting the huge amounts of olive oil produced in those two nations, predicted Mr Carl Gangwish of the American Soybean Association.

David Richardson explains why UK will probably fulfil EEC quotas

Sugar beet crop looks sweeter

HARVESTING and processing this year's sugar beet crop was put back a week by the mutual consent of growers and British Sugar. By the end of this week, however, 11 factories will have begun slicing and next week the final two northern plants will open for deliveries.

The delay was considered necessary to allow beet to grow and bulk up for as long as possible at the end of a difficult season. After much delayed drilling because of the wet spring the already stressed crops were hit by the drought of July and August.

At the time it seemed probable that yields would be disastrous. Sugar beet roots, however, are capable of growing 1.5 metres into the soil in search of moisture. This summer many must have done just that.

In any event few crops seemed to suffer severe drought damage and, as always when there are above average hours of sunshine, the beet plants converted the sun's energy into sugar.

Test diggings in the middle of August revealed an average sugar percentage per root of 15.38 per cent — 1.5 per cent up on last year and almost 3 per cent up on the five-year average.

Root weights, on the other hand, were predictably well down at not much over half that in the record year of 1982 and 15 per cent below the five-year average.

Nevertheless, it was already clear that the 1983 crop might be disappointing but would not turn out to be quite the disaster that had been feared.

Significant quantities of rain at the end of August and through September improved prospects further and the latest test diggings, taken just before harvesting began last week, suggest a respectable average sugar-yield.

Root weights by the end of September had in fact shot up to 714 gm against 880 gm at the corresponding time last year and a five-year average of 684 gm.

Sugar content had not improved much because of the energy taken to increase root size and the consequent dilution of concentration within the roots. At 15.95 per cent, however, it was only marginally below the five-year average of 16.26 per cent, although well below last year's 16.77 per cent.

Sugar per root on the other hand, which is obviously the most significant statistic of all, stood at 114gm which, while being much lower than last year's 148gm, was nevertheless 3gm higher than the five-year average of 111gm and the second highest, after last year, in that period.

The majority of crops still in the ground will continue to grow through October and until the first severe frosts stop them. There is a reasonable possibility therefore that the UK will achieve its EEC A quota of 1.04m tonnes of sugar, and perhaps a fair proportion of the 104,000 tonnes B quota, particularly as 80,000 tonnes of last year's C quota has been carried forward.

The carrying forward of that tonnage agreed between British Sugar and the National Farmers Union had the twin effects of allowing growers to be paid a higher price for a greater proportion of last year's record crop than would otherwise have occurred and of averaging apparent annual production as part of the strategy to maximise UK quota entitlement within the EEC.

The fact that the next five years' quotas are shortly coming up for renegotiation and that it was considered essential to lay claim to as large a tonnage as possible prompted British Sugar to redraft the beet-growing contract last year to encourage more to be grown.

Instead of a high price for A sugar, 37.5 per cent less for B sugar (which amounts to 10 per cent by weight of A) and the much lower world price for the remainder, the corporation offered the same modified price for A tonnage plus a further 20 per cent.

Growers accepted with enthusiasm and, although in previous years there had been a move by some to give up growing sugar beet, the new contract, introduced to coincide with returns from last year's record crop, persuaded most to stick with it.

This year's yields, however, are unlikely to allow growers to take full advantage of the new price structure, given that few are expecting to produce much more than their A tonnage. This possibility was foreseen and growers will be paid a higher price per tonne for the smaller quantity.

The probably failure of this year's crop to reach above-average yields, however, will disappoint British Sugar as much as it does beetgrowers.

There is some consolation in that most of the other EEC countries which will be bidding for national quotas in the forthcoming negotiations have had a worse beet season than Britain.

There have also been even more disastrous failures in some cane-growing countries, particularly in the southern hemisphere. World sugar stocks in fact are likely to fall significantly as a result of this year's crops.

It seems probable, therefore, that the pressure to reduce EEC and more particularly British sugar quotas because of previous European surpluses may have been relieved and at the very least the British negotiators should find it possible to maintain the status quo.

Panic selling hits potato futures

By John Edwards, Commodities Editor

PANIC SELLING brought sharp losses on the London potato futures market yesterday. The April position tumbled by £13.10 to £225.90 a tonne, wiping out much of the gains made in the past few days.

Traders were uncertain why the market suddenly dropped. There was a report of a slight improvement in the French crop. This may have raised expectations of an improved UK out-turn. Once the decline started, stop-loss points set by speculators buying on the way up were triggered off, accelerating the down trend. The market closed at the lows of the day.

● COCOA market report from Gill & Duffus, London brokers, is to be postponed in view of uncertainty over West African crops. The company said the bi-monthly report, normally due out this week, would be delayed probably until late this month.

Estimates by other trade houses of the key Ivory Coast cocoa crop range between 350,000 and 450,000 tonnes, creating confusion and volatile market prices.

● Ewes can be induced to produce twin lambs by use of a new chemical called fecundin, says the Commonwealth Scientific and Industrial Research Organisation of Melbourne, Australia, which discovered it. The drug, sale of which started yesterday, will be marketed in New Zealand and other sheep-producing countries next year.

● Dairy cows' lameness is costing UK milk-producers about £35m a year, says Edinburgh University's Royal School of Veterinary Studies.

● BY AGE 70 years most of us will have eaten three cows, 17 pigs, 25 lambs, 420 chickens and four miles of sausages. We will have swallowed 60 bathfuls of milk and 93,000 cups of tea, says a survey based on Agriculture Ministry figures.

Metal markets stage modest recovery

BY JOHN EDWARDS, COMMODITIES EDITOR

METAL MARKETS staged a modest recovery yesterday, following Monday's "bloodbath." Gold recovered by $2.75 to $394.375 an ounce. Free-market platinum re-established a small premium, gaining $8.50 to $397 (£269.15) an ounce. The London bullion spot price was marked up by 8.4p to 706.6p at the morning fixing but eased in afternoon trading.

On the London Metal Exchange copper staged its first rally for some time. The higher grade cash price closed £10.75 up, at £965.5 a tonne. There were reported to be few sellers and some trade buying support in quiet trading.

The New York market was steady in early trading but U.S. producer Asarco announced a cut in its domestic selling price for copper of 2.5 cents to 69 cents a lb.

Cash zinc gained £11 to £551.5 a tonne, more than offsetting Monday's loss. Cash tin also gained ground. Nickel prices were sharply higher on late buying interest from the U.S. Cash aluminium rose by £12 to £1,046.5 a tonne. Only lead closed marginally lower, following some late U.S. selling.

January start unlikely for common fund

AN INTERNATIONAL fund to stabilise world commodity prices is unlikely to start operations next January as planned, a top UN official said.

Herr Diether Bommer, assistant director-general of the UN Food and Agriculture Organisation, said political will to set up the $750m (£508m) common commodity fund was now in doubt.

He told a meeting on commodity problems in Rome: "Although Unctad Six agreed it would be preferable to begin operations of the common fund by January 1, 1984, this now seems highly uncertain."

The January target date was set by the sixth session of the UN Conference on Trade and Development (Unctad), in Belgrade this year.

Herr Bommer said: "The number of countries that have ratified the agreement still falls short of the minimum required and the prospect of reaching the minimum required level of capital contributions remains equally clouded."

Referring to the free-market views of President Ronald Reagan of the U.S. and other Western leaders he said progress was being stifled by philosophical opposition to international commodity agreements.

FAO officials said htat only 61 countries of 100 which signed the fund agreement had ratified their membership, while to date donors had pledged only 40 per cent of the initial cash needed.

Ratification by at least 90 countries is required before a $400m "first window" can start to pay out funds for price-support operations. These operations would mainly benefit developing countries producing foods such as coffee and cocoa and industrial raw materials.

With the world economy only just beginnng to recover from recesison Bommer said prospects for many countries remained grim.

PRICE CHANGES

In tonnes unless stated otherwise	Oct. 4 1983	+ or —	Month ago
Metals			
Aluminium	£1050	....	£1050
Free Mkt	$1550/1580	....	$1555/585
Copper			
Cash h grade	£965.5	+10.75	£1068.5
3 mths	£989.75	+10	£1088.25
Cash Cathode	£942.5	+12.25	£1037.5
3 months	£967.75	+12.00	£1065
Gold troy oz	$394.375	+2.75	$417.625
Lead Cash	£269	—1.5	£264.5
3 months	£278.75	—1.0	£274.25
Nickel	£4646.34	....	£4646.34
Free mkt	205/250c	....	225/255c
Palladium	$137.25	+2.00	$157.00
Platinum	£269.15	+7.25	£296.35
Quicksilver†	$310/330	....	$285/295
Silver troy oz	706.60p	+8.40	825.60p
3 mths	723.40p	+8.85	845.00p
Tin cash	£8485	+52.5	£8620
3 month	£8570.5	+27.5	£8740.5
Tungsten	$77.32	+5.15	$74.81
Wolfam 22.04 lb	$79.83	....	$76/82
Zinc Cash	£551.5	+11.0	£571.5
3 mths	£567.25	+11.5	£587.75
Producers	$880	....	$880

	Oct. 4 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$910x	—40	$980
Groundnut	‡	....	‡
Linseed Crude	‡	—0.10	£495.35
Palm Malayan	$680u	—10	$620
Seeds			
Copra Phil	$600x	—25	$650
Soyabean (U.S.)	$343.75w	....	$335.5
Grains			
Barley Fut. Jan	£121.20	+0.05	£119.20
Maize	‡	....	£144.00
Wheat Fut. Jan	£124.25	+0.15	£124.70
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1554.5	—18.0	£1497
Fut. March	£1471.5	—3.5	£1436.5
Coffee Ft. Jan.	£1842	+19.0	£1695.5
Cotton A. Index	87.15c	+0.45	92.35c
Gas Oil. Nov.	$246.00	+1.75	$255
Rubber (kilo)	77.50p	+0.50	79p
Sugar (Raw)	£167.00x	+5.50	£163
Woolt'ps 64z.	400p kilo	....	395pkilo

‡ Unquoted. w Nov. u Dec. y Sept-Oct. x Oct-Nov. v Oct. † Per 16 lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.25-28.40	—0.05
Iranian Light	27.80-28.10	—
Arabian Heavy	26.50	—0.02
North Sea (Forties)	29.05-29.15	+0.05
North Sea (Brent)	29.20-29.25	—
African/Bonny Li'ht	29.55-29.90	+0.02
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	283-287	+0.5
Gas oil	242-246	—2.0
Heavy fuel oil	169-172	—0.5

GAS OIL FUTURES

After further weakness in the morning, encouraged by falling prices and a lack of buyers in physicals, the market staged the long-awaited rally with prices rising sharply in line with New York, where commission house buying on the opening was followed by trade buying. The market remained steady throughout the afternoon, coming off on profit-taking on the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Oct	241.50	—1.00	244.25-37.00
Nov	246.00	+1.75	248.00-39.75
Dec	248.25	+1.25	251.00-41.50
Jan	249.25	+2.75	250.75-41.00
Feb	247.25	+2.50	246.00-38.50
Mar	243.00	+1.00	256.00-37.00
April	241.00	—1.00	240.00-38.50
May	235.00	—20.0	—
June	225.00	—	—

Turnover: 2,023 (3,218) lots of 100 tonnes.

GOLD MARKETS

Gold rose $2¾ an ounce from Monday's close in the London bullion market yesterday to finish at $394-394½. The metal opened at $391¾-392½ and traded between a high of $394½-395 and a low of $391¼-391¾. Trading was rather subdued after Monday's sharp decline with gold benefiting from a little short covering.

In Frankfurt the 12½ kilo bar was fixed at DM 33,355 per kilo ($394.48 per ounce) against DM 33,215 ($394.01) previously and closed at $393¾-394½ from $406½-406¾.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $392.50 from $393.25.

In Zurich gold finished at $393-$396 from $406-409.

In Paris the 12½ kilo bar was fixed at FFr 102,100 per kilo ($396.55 per ounce) in the afternoon compared with FFr 101,850 ($396.23) in the morning and FFr 101,000 ($394.20) on Monday afternoon.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Oct	394.00-95.0	+3.50	—
Dec	399.40-99.8	+2.85	400.20-97.4
Feb	405.90-06.2	+3.90	404.80
April	412.60-13.3	+3.05	—
June	419.20-20.5	—	—
Aug	425.30-27.3	—	—

Turnover: 836 (1,591) lots of 100 troy ounces.

	Oct. 4		Oct. 3	
Gold Bullion (fine ounce)				
Close	$394-394¼	(£267-267½)	$391¼-392	(£263¾-264¼)
Opening	$391¾-392½	(£265½-266)	$397½-398¼	(£266¼-266¾)
Morning fixing	$392.75	(£266.398)	$393.50	(£264.094)
After noon fixing	$395.50	(£266.509)	$389	(£261.513)

Gold Coins Oct. 4					
Krugrnd	$406-406¾	(£275¼-275¾)	King Sov	$94½-96	(£64-65)
½ Krg	$209½-210	(£142-142½)	Victoria Sov	$94½-96	(£64-65)
¼ Krg	$106¾-107½	(£72½-73)	French 20s	$81¼-83½	(£55-56½)
1/10 Krug	$43½-44¼	(£29½-30)	50 pesos Mex	$480-482	(£325½-326¾)
Mapleleaf	$405¾-406¼	(£275-275½)	100 Cor. Aust	$385-389	(£261-263¾)
New Sov	$92¾-93¼	(£63-63¼)	$20 Eagles	$590-595	(£400-403½)
½ New Sov	$55½-56	(£37¾-38)			

EUROPEAN MARKETS

ROTTERDAM, October 4

Wheat—(U.S.$ per tonne): U.S. Two Red Winter Oct 153.50, Nov 157.50, Dec 161, Jan 163. U.S. Northern Spring 14 per cent protein Oct 183, Nov 184, Dec 186, Jan 191, Web 194. U.S. Three Amber Durum Oct 198, Nov 201, Nov/Dec 203. Canadian Western Spring Oct/Nov 206.5.

Maize—(U.S.$ per tonne):—U.S. Three Yellow afloat 164, Sept 163, Oct 161, Nov 160, Dec 160, Jan/March 162.50, April/June 164. Argentine Oct/Nov 172.50 sellers.

Soyabeans—(U.S.$ per tonne): U.S. Two Yellow Gulfports Oct 335, Nov 334, Dec 335.75, Jan 340.50, Feb 345.25, March 348.25, April 348.25, May 348.25, Nov 374, Dec 379, Jan 383 sellers. Argentine Oct 329 sellers.

BRITISH COMMODITY MARKETS

BASE METALS

BASE METALS RECOVERED some of the ground lost the previous day on the London Metal Exchange. Copper staged its first rally for some time, moving up through £990 to a high of £993.5 before closing at £992. Trade buying helped, with few sellers apparent. Lead followed a similar pattern, rising to £283 before U.S. liquidation caused a reaction to £277. Zinc was finally £588 and Aluminium £1,074.5, while Nickel encountered strong U.S. demand and advanced to £3,100. Tin was supported at £8,565, and closed at that level.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	965-.5	+15	965-6	+10.7
3 months	989.5-90	+11.5	989.5-90	+10
Settlem't	965.5	+15	—	—
Cathodes				
Cash	944.5-5	+15.2	942-3	+12.2
3 months	969-70	+16	967.5-8	+12
Settlem't	945	+15	—	—
U.S. pro'd	—	—	*75.5-7	.....

Amalgamated Metal Trading reported that in the morning higher-grade three months copper traded at £986, 87, 88, 87.50, 88, 89, 90, 91, 90, 89, 89.50. Cathodes: Cash £994, 44.50, 45. Kerb: Higher Grade: Three months £990, 90.50, 90, 89, 88, 88.50. Afternoon: Higher Grade: Three months £988.50, 88, 87.50, 87, 88, 88.50, 89, 89.50, 90. Kerb: Higher Grade: Three months £991, 92, 93, 92, 91, 90.50, 91, 91.50, 92. Turnover: 53,775 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8472-80	+40	8480-90	+52.5
3 months	8570-1	+43	8570-1	+27.5
Settlem't	8480	+48	—	.....
Standard.				
Cash	8471-2	+60.5	8475-85	+47.5
3 months	8560-2	+38.5	8565-6	+22.5
Settlem't	8472	+60	—	.....
Straits E.	$29.60	—0.05	—	.....
New York				

Tin—Morning: Standard: Cash £8,473, 71. Three months £8,570, 65, 70, 68, 65, 60, 61, 62, 61, 60. High Grade: Three months £8,570. Kerb: Standard: Three months £8,560, 65. High Grade: Three months £8,570, 75. Afternoon: Standard: Three months £8,568, 69, 66, 65. Kerb: Standard: Three months £8,565. Turnover: 2,275 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	273.5-4	+5.5	268.5-9.5	—1.5
3 months	283-.25	+5	278.5-9	—1
Settlem't	274	+5.5	—	.....
U.S. Spot	—	.....	*22-5	.....

Lead—Morning: Three months £282, 83, 83.50, 84, 83, 82.75, 83. Kerb: Three months £283. Afternoon: Three months £282, 81, 80, 79.50, 79, 78, 78.50. Kerb: Three months £278.50. Turnover: 7,750 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	565-6	+18	551-2	+11
3 months	571-.5	+18.5	567-.5	+11.5
Settlem't	566	+18	—	.....
Primw'ts	—	.....	*46-.75	.....

Zinc—Morning: Three months £567, 69, 68, 68.50, 69, 70, 71, 71.50. Kerb: Three months £571, 73, 72, 71. Afternoon: Three months £569, 68.50, 68, 67.50, 67. Kerb: Three months £567, 69, 68, 69, 68.50, 68, 67.50. Turnover: 10,775 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1046-.5	+21.5	1046-7	+12
3 months	1076-.5	+20.7	1074.5-5	+12.5

Aluminium—Morning: Three months £1,075, 74, 74.50, 75, 74.50, 74, 74.50, 75, 76, 75.50, 76. Kerb: Three months £1,076, 76.50, 77, 77.50, 77, 78. Afternoon: Three months £1,076, 74.50, 74, 73.50, 73, 74, 74.50. Kerb: Three months £1,077, 77.50, 78, 78.50, 78, 77, 76.50, 76, 76, 74, 75. Turnover: 19,550 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	2962-5	—6.5	3030-5	+67.5
3 months	3038-45	—14.5	3105-10	+80

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

Nickel — Morning: Three months £3,040, 35, 32, 33, 35, 40, 35, 38, 40. Kerb: Three months £3,035, 40, 45, 50. Afternoon: Three months £3,050, 65, 60, 65, 70, 68, 70, 80, 3,100, 10, 15, 20, 10, 20, 15, 10, 3,100. Kerb: Three months £3,100, 05, 10. Turnover: 4,128 tonnes.

SILVER

Silver was fixed 8.4p an ounce higher for spot delivery in the London bullion market yesterday at 706.6p. U.S. equivalents of the fixing levels were: spot $10.422, up 2.2c; three-month $10.674, up 2.5c; six-month $10.922, up 3.4c; and 12-month $11.471, up 1.1c. The metal opened at 700-702p ($10.33-10.37) and closed at 705-707p ($10.40-10.44).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	706.60p	+8.40	705.5p	+8.0
3 months	723.40p	+8.85	722.25p	+8.0
6 months	739.75p	+9.45	—	.....
12months	775.75p	+8.25	—	.....

LME—Turnover 158 (193) lots of 10,000 ozs. Morning: Three months 725.0, 25.5, 26.0, 25.5. Kerbs: Three months 725.0. Afternoon: Three months 722.0, 23.0, 22.0, 21.5, 22.0. Kerbs: Three months 722.0, 21.0, 20.0.

COCOA

Trading over a £25 range cocoa futures closed this evening on a steady note at the highs of the day. Physical cocoa was a little more active with light trading in both cocoa beans and products noted, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1474-78	—4.5	1408-38
March	1470-72	—3.5	1474-49
May	1479-80	—6.0	1481-63
July	1490-91	—6.0	1495-75
Sept	1500-05	—4.5	1494-88
Dec	1505-16	—	1510-00
March	1505-30	—7.5	—

Sales: — (2,687) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound). Daily price for Oct 4: 95.41 (96.31): five-day average for Oct 5: 97.13 (97.46).

COFFEE

Robustas opened steadier on weaker sterling and after a slight retracement continued the recent trend, posting gains of £20 in an active morning session aided by a firm New York, further gains were registered with values closing just below new contract highs, reports Drexel Burnham Lambert.

COFFEE	Yest'day's Close	+ or —	Business Done
Nov	1850-53	+19.5	1865-42
January	1841-45	+18.0	1850-25
March	1757-58	+17.5	1766-41
May	1726-27	+22.0	1731-00
July	1692-97	+17.0	1695-80
Sept	1670-80	+12.5	1680-69
Nov	1645-50	+05.0	1662-48

Sales: 3,897 (3,607) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for October 3: Comp daily 1979 131.74 (129.90); 15-day average 127.98 (127.60).

GRAINS

Business done—Wheat: Nov 120.90-120.80, Jan 124.25-124.10, Mar 128.85 only, May 129.65-129.60, July 132.85-132.75. Sales: 88 lots of 100 tonnes. Barley: Nov 118.05-118.00, Jan 121.25-121.10, Mar 123.80-123.65, May 125.70-125.60. Sales: 39 lots of 100 tonnes.

	WHEAT		BARLEY	
Mnth.	Yestrday's close	+ or —	Yestday's close	+ or —
Nov	120.90	+0.15	118.00	—0.05
Jan	124.25	+0.15	121.20	+0.05
Mar	128.85	+0.10	123.70	—
May	129.65	+0.15	125.60	—
July	132.75	—	—	—
Sept	119.25	—0.50	115.60	—0.25

HGCA—Locational ex-farm spot prices. Feed barley: S. East 117.80, S. West 117.30, W. Mids. 117.40, N. West 117.90. The UK Monetary Co-efficient for the week beginning Monday October 10 (based on HGCA calculations using 5 days exchange rates) is expected to change to 0.935.

Wheat and barley remained quiet in a narrow trading range with light shipper buying support with wheat closing 15 up—unchanged and barley, 5 up—5 down, reports Muirpace.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: Oct 135, Nov 135.75, Dec 137.50 transhipment East Coast sellers. English Feed fob Oct/Dec 126, Jan/March 130 East Coast sellers. Maize: French: Oct 144, Nov 144.50 transhipment East Coast sellers. Barley: English Feed fob: Oct/Dec 124, Jan/March 127 East Coast sellers.

POTATOES

Morning trade was quiet, with prices easing lower, some £3.00 down by midday. Dutch futures eased before reopening of London market this afternoon, causing stop loss selling, and prices fell sharply as buyers backed off. Closing tone was barely steady, with prices showing falls of £8.00-£13.50 on the day, reports Coley and Harper.

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov	146.00	154.20	154.00-43.8
Feb	183.00	191.00	189.80-82.8
April	212.80	225.90	225.50-12.8
May	218.80	231.50	230.00-16.5
Nov	81.00	89.00	—

Turnover: 1,361 (1,593) lots of 40 tonnes.

RUBBER

The physical market opened slightly steadier, attracting little interest throughout the day closing inactive, reported Lewis and Peat. The Kuala Lumpur September fob price for RSS No 1 was 253.00 (252.25) cents a kg and for SMR20 210.5 (same).

No. 1 R.S.S.	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov	146-760	778-800	—
Dec	770-774	776-780	—
JanMch	777-779	787-788	788-787
Apl-Jne	798-800	807-808	807-799
Jly-Sept	809-814	822-823	823-822
Oct-Dec	824-828	837-838	837
JanMch	839-843	852-853	853
Apl-Jne	854-860	868-870	—
JlySept	869-875	881-884	—

Sales: 131 (20) lots of 15 tonnes, — (—) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 77.50p (77.00p), Nov 78.75p (78.00p), Dec 79.25p (78.50p).

SOYABEAN MEAL

The market opened $1.00 up in thin trading, reports T. G. Roddick. Prices remained steady on mixed buying closing with gains of £2.00-£1.00.

	Yestday's close	+ or —	Business Done
	£ per tonne		
October	181.00-86.00	+4.00	—
Dec	189.00-90.00	+1.75	189.50-88.00
Feb	195.00-95.50	+1.15	195.00-94.50
April	195.00-96.00	+1.25	—
June	192.00-95.00	+0.75	—
August	193.50-94.00	+1.00	—
October	184.00-86.50	+1.75	—

Sales: 77 (202) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £167.00 (£161.50) a tonne for Oct-Nov shipment. White sugar £185.00 (£181.00).

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Oct	—	—	—
Dec	180.50-82.00	174.75-75.50	182.25-76.50
Mar	190.25	184.50-84.50	191.50-85.50
May	194.50-95.00	188.50-89.75	196.25-88.50

Tate and Lyle delivery price for granulated basis sugar was £277.25 (£271.25) a tonne for export.

International Sugar Agreement (U.S. Caribbean ports). Prices for Oct 3. Daily price 9.85 (9.54): 15-day average (cents per pound), fob and stowed 9.23 (same).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 74 tonnes bringing the total for the week so far to 334 tonnes. Minor contracts were under review but support was mentioned in North and South American style.

WOOL FUTURES

SYDNEY GREASY WOOL. Close (in order: buyer, seller, business). Australian cents per kg. Oct 547.0, 560.0, 547.5-547.0; Dec 564.5, 565.0-5.64.0; March 582.5, 583.0, 583.5-583.0; May 594.0, 596.0, 595.0-594.5; July 607.0, 610.0, 607.0; Oct 601.0, 604.0, untraded; Dec 611.0, 614.0, 611.0; March 623.0, 625.0, 623.0. Sales: 81.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 416, 429, 430; Dec 421, 425; Jan 421, 422, 422-421; March 428, 429, 430-429; May 437, 438, 438; Aug 451, 453, 451; Oct 451, 452, 450; Dec 455, 456, 455; Jan 461, 462; March 471, 475. Sales: 54 (67).

INDICES

FINANCIAL TIMES

Oct. 3	Sept. 30	M'th ago	Y'ar ago
285.44	288.14	291.77	227.76

(Base: July 1 1952=100)

REUTERS

Oct. 4	Oct. 3	M'th ago	Y'ar ago
1894.6	1883.7	1911.2	1601.9

(Base: September 18 1931=100)

MOODY'S

Oct. 3	Sept. 30	M'th ago	Yearago
1043.1	1051.9	1080.7	966.4

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Oct. 3	Sept. 30	Month ago	Year ago
Spot	139.68	141.35	145.53	118.86
Fut's	144.62	146.92	152.08	126.41

(December 31 1931=100)

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 93.95p per kg lw (+0.27); GB—Sheep 123.88p per kg est dcw (−0.53): GB—Pigs 75.69p per kg lw (−2.60).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 80.0 to 86.0; Eire hindquarters 92.0 to 94.0, forequarters 58.0 to 62.0. Veal: Dutch hinds and ends 144.5 to 148.0. Lamb: English small 60.0 to 64.0, medium 58.0 to 62.0, heavy 56.0 to 58.0. Imported: New Zealand PL 59.0 to 59.8, PX 57.0 to 58.0. Pork: English under 100 lb 51.0 to 55.5, 100-120 lb 50.0 to 53.5, 120-160 lb 49.0 to 52.0.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£7.00, codling £3.00-£4.50; large haddock £3.20-£4.00, medium £2.40-£3.40, small £1.60-£2.80; large plaice £5.50-£6.00, medium £5.20-£5.80, best small £3.80-£4.40; skinned dogfish (large) £9.00 (medium) £7.00; lemon sole (large) £11.00, (medium) £8.00; rockfish £1.80-£2.00; saithe £2.10-£2.80.

COVEN GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated: Imported Produce: Clausellinas—Spania: 8.00-8.50. Tangerines — Brazilian: Honey, tray, 5.80-6.00. Oranges—Outspan: Valencia Lates 40 6.00, 48 6.80, 56 7.70, 72 7.55, 88 7.40, 112 6.40, 138 6.10, 150 5.10; Brazilian: Valencia Lates 6.00-6.50. Lemons — Outspan: carton 9.00-12.00, small sizes 6.00-8.00; Italian: carton 7.50-8.50; Turkish: 7.00-8.00; Cypriot: trays 6.50-6.80. Grapefruit—Outspan: 27 5.70, 32 6.70, 36 6.90, 40 6.80, 48 7.40, 56 7.40, 64 7.40, 72 5.00; Honduras: box 6.00-6.50; Dominican: 5.80-6.80; Cuban: 4.80-5.00. Apples—French: Golden Delicious (new crop) carton 5.60-5.80, half-carton 2.80-2.90, Granny Smith carton 9.50-9.80, half-carton 4.80-5.00. Starkcrimson, carton 7.00-7.40. Pears—French: per pound, Williams 0.14-0.15; Italian: Williams 0.16-0.20. Grapes—Italian: per pound, Italia 0.30-0.34; Spanish: Italia 0.30-0.35, Almeria 0.20-0.22, Napoleon 0.28-0.30. Nectarines—Italian: large trays 6.50-7.00. Plums—Italian: per pound, Stanley 0.14-0.15, President 0.20-0.25; Romanian: Blue 0.15. Watermelons—Spanish: 15 kg 2.00-2.40. Melons—Spanish: Yellow 10 kg 2.60-3.60, Green 3.00-3.50; Spanish: Galia small tray 5.50-6.00. Bananas—Colombian: 40-lb boxes 10.30-10.50. Avocados—Canary: 5.50-6.00; Israeli: 5.80-6.00. Pineapples—each, Kenyan: 1.20-1.80; Ivory Coast: 0.35-1.20. Pawpaws—Brazilian: 6.00-7.00. Mangoes—Brazilian: 8.00-9.00. Fennel—Italian: 8 kg 6.00-6.50. Kiwifruit—New Zealand: 6.00-6.20. Tomatoes—Spanish: tray 2.40-2.80; Dutch: tray 2.60-2.80. Beefsteak 3.60-3.80. Aubergines — Dutch: 5 kg 5.00-5.50. Onions—Spanish: Grano 25-kg nets 3.80-4.00, Zaragoza 4.20-4.40; Dutch: 50/70 mm 4.00. Capsicums—Dutch: Yellow 6.00-6.20, Green 3.50, Red 5.00. Cabbages—Dutch: Red 6.00, White 5.20. Potatoes—Cypriot: 44-lb bag 4.00-4.20. Sugar Peas—Kenyan: per pound 1.50-2.00. Globe Artichokes—French: 24s 8.20-8.50. Lettuces—U.S.: Iceberg 30s 14.00-15.00. Cucumbers—Tray, Dutch: 3.00-3.20; Spanish: 2.20-2.40. Courgettes—French: per pound 0.20-0.24.

English Produce: Apples—per pound, Bramley new season 0.10-0.13, Howgate 0.08, Worcester Pearmain 0.14-0.20, Cox's 0.16-0.24, Russet 0.18-0.20, Charles Ross 0.12-0.14. Pears—per pound, Comice 0.18-0.23, Conference 0.08-0.14. Strawberries— 8 oz 0.35-0.50 according to condition. Raspberries—4-oz punnets 0.40-0.70 according to quality. New Potatoes—4.00-5.00. Mushrooms—per pound, open 0.60-0.70, closed 0.80-1.00. Lettuces—per tray round 0.80-1.30, Webb's 2.00-2.30, Cos 1.80-2.00, Iceberg per doz. 7.00-8.00. Onions—per 55 lb 3.80-4.00. Cabbages—per 28 lb, Primo 2.80-3.00. Greens—28 lb, Kent 2.40-2.60. Cauliflowers—12s Lincoln 2.00-2.50, Kent 2.80-3.00. Cucumbers—2.80-3.20. Tomatoes—Hothouse, 12 lb 2.00-2.20. Celery—3.00-3.50. Beetroots—28 lb 2.00-2.20. Turnips—28 lb 2.00-3.00. Swedes—28 lb 1.50-1.80. Sugar Peas—per pound 1.50-2.00. Capsicums—Green, per pound 0.20-0.25. Corn Cobs—each 0.08-0.14. Leeks—per pound 0.25-0.30. Carrots—28 lb 1.80-2.00. Parsnips—28 lb 2.50-2.80. Courgettes—per pound 0.18-0.20. Stick beans—per pound 0.20-0.25. Sprouts—per pound 0.15-0.20.

AMERICAN MARKETS

NEW YORK, October 4

Heating oil prices were sharply higher on trade profit-taking following the recent steep decline. Strong London spot plus technical buying fuelled the price increase. Copper prices were moderately higher on trade buying and technical support, but could not hold their best levels under pressure from local selling. Currencies opened weak but managed to advance steadily on technical buying and short covering. Gold and silver prices went in opposite directions. Silver has been under considerable pressure because of poor seasonal demand in the consumer retail trade and slow dealer demand. Gold has managed to trade somewhat higher even though all its gains were almost totally eroded on the close on local selling. Cotton prices were higher on the opening as reports of further damage to the cotton crop in Arizona attracted buying. However, late selling by local traders in sympathy with the declining soyabean market produced heavy losses on the close. Soyabeans and products traded over a wide range but closed almost limit down as heavy stop-loss selling resulted in massive liquidation. Maize and wheat followed reluctantly with considerably more support and closed moderately lower, reported Heinold Commodities.

NEW YORK

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	141.02	141.25	138.38	137.88
March	136.40	136.40	134.10	133.56
May	132.30	132.30	130.75	130.25
July	129.33	129.50	128.30	128.25
Sept	127.50	127.25	126.50	126.13
Dec	125.20	125.40	124.60	124.25

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Oct	64.00	64.65	64.65	63.30
Nov	64.45	—	—	63.85
Dec	65.10	65.70	64.60	64.50
Jan	65.75	66.40	65.65	65.20
March	67.10	67.70	66.60	66.50
May	68.40	69.00	67.85	67.75
July	69.70	70.25	69.25	69.05
Sept	71.00	71.60	70.60	70.35
Dec	73.00	73.65	72.60	72.30
Jan	73.65	73.95	73.55	72.95

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	394.0	395.2	391.0	390.9
Nov	—	393.5	393.5	393.2
Dec	399.0	401.4	396.0	396.4
Feb	405.5	408.0	402.0	402.8
April	411.5	413.5	409.0	409.2
June	418.7	420.5	416.5	415.9
Aug	424.7	427.5	424.0	422.8
Oct	432.0	434.0	431.3	429.9
Dec	438.0	440.5	437.1	437.2

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallon

	Close	High	Low	Prev
Nov	80.50	81.15	78.25	78.72
Jan	81.85	82.40	80.20	80.50
Feb	81.10	81.80	79.50	79.68

ORANGE JUICE 15,000 lbs. cents/lb

	Close	High	Low	Prev
Nov	119.30	119.50	119.25	—
Jan	114.50	115.00	114.25	—
March	112.50	113.10	112.40	—
May	112.20	112.25	111.80	—
July	111.60	112.00	111.70	—
Sept	111.70	112.00	112.00	—
Nov	110.50	—	—	—
Jan	110.45	—	—	—
March	110.45	—	—	—

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	391.3	396.5	395.0	393.4
Dec	396.1	398.0	395.0	—
Jan	400.1	407.0	395.0	393.4
April	406.7	413.0	402.0	400.2
July	414.5	420.0	411.0	407.7
Oct	422.5	430.0	429.5	415.7
Jan	426.0	—	—	—

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	10.98	11.10	10.88	10.70
March	11.44	11.57	11.30	11.23
May	11.79	11.89	11.67	11.60
July	12.08	12.18	11.98	11.91
Sept	12.03	12.36	12.20	12.16
Oct	12.47	12.56	12.35	12.30
Jan	12.56	12.65	12.65	12.33
March	12.70	—	—	12.85

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Oct	1017.0	1044.0	1017.0	1021.8
Dec	1025.0	1060.0	1015.0	1037.8
Jan	1050.0	1062.0	1046.0	1147.7
March	1051.0	1087.0	1042.0	[illegible]
May	1066.0	1105.0	1065.0	[illegible]
July	1085.0	1124.0	1085.0	[illegible]
Sept	1106.0	1146.0	1106.0	[illegible]
Dec	1128.0	1179.0	1127.0	[illegible]
Jan	—	1180.0	1176.0	1165.0
March	1192.0	1195.0	1165.0	1188.1

CHICAGO

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	348.6	354.0	346.4	353.6
March	350.6	358.0	350.0	356.2
May	352.4	359.4	352.2	357.8
July	350.2	358.6	350.0	354.6
Sept	325.0	331.0	325.0	—
Dec	301.6	308.4	301.4	—

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Nov	828.0	854.0	828.0	856.0
Jan	839.0	877.0	839.0	866.0
March	853.0	887.4	851.4	880.0
May	854.0	888.0	853.0	881.0
July	850.0	882.0	848.0	877.0
August	821.0	852.0	821.0	846.0
Sept	751.4	776.0	751.0	769.0
Nov	681.0	701.0	680.0	695.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Oct	224.3	231.5	224.1	230.5
Dec	229.2	236.0	228.8	234.5
Jan	230.3	236.9	230.0	235.5
March	232.0	238.0	232.0	236.0
May	233.0	238.5	233.0	237.5
July	234.0	238.5	233.0	—
August	226.0	231.0	226.0	228.0
Sept	219.5	220.0	216.0	—
Oct	203.0	203.0	197.0	202.0
Dec	199.0	203.0	195.0	202.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Oct	29.93	31.22	29.90	30.86
Dec	30.65	31.80	30.55	31.60
Jan	30.57	31.77	30.57	31.60
March	30.35	31.55	30.35	31.35
May	29.60	30.85	29.60	—
July	28.85	29.90	28.85	29.90
Aug	27.03	28.30	27.00	27.85
Sept	26.00	26.60	26.00	26.50
Oct	24.75	25.10	24.75	25.25
Dec	24.23	25.00	24.05	24.75

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	366.4	370.6	365.2	370.0
March	381.4	395.0	381.4	384.4
May	387.6	390.2	387.4	—
July	379.0	382.0	379.0	382.0
Sept	387.2	389.2	387.2	—
Dec	399.6	400.2	398.4	—

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar improves, but pound weak

The dollar was slightly firmer in nervous trading, awaiting some signal on interest rates from this week's Federal Open Market Committee meeting. A sharp change in the Fed's monetary stance would come as a surprise to the market however, and at the moment there is little anticipation of a significant lowering of rates. Against this background the dollar gained ground against Continental currencies, but was only marginally stronger against the yen, which maintains a generally bullish undertone.

Sterling weakened against the dollar and other major currencies, following Monday's cut in clearing bank base rates.

DOLLAR—Trade-weighted index (Bank of England) 126.9 against 122.7 six months ago. The dollar has retreated from the peaks touched in August, amid growing hopes that a sustained fall may be imminent following several weeks of good U.S. M1 money supply figures. An easing of Federal Reserve monetary policy, leading to lower U.S. interest rates, has been anticipated for some time, but previous disappointments will encourage some caution.

The dollar rose to DM 2.6250 from DM 2.6190 against the D-mark; FFr 8.0075 from FFr 7.9675 against the French franc; SwFr 2.1150 from SwFr 2.1090 in terms of the Swiss franc; and Y233.95 from Y233.75 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. September average 1.4991. Trade-weighted index 82.7 against 82.7 at noon, 82.6 at the opening, 82.9 at the previous close, and 79.5 six months ago. The pound has tended to weaken recently, although the decline against Continental currencies is probably welcomed, and has not prevented the long awaited cut of ½ per cent in London clearing bank base rates.

Sterling opened at $1.4715-1.4725, and traded within a range of $1.4705-1.4790, before closing at $1.4745-1.4755, a fall of 90 points on the day. The pound also declined to DM 3.8750 from DM 3.89; FFr 11.81 from FFr 11.82; SwFr 3.1225 from SwFr 3.1325; and Y345.25 from Y347.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. September average 2.6683. Trade weighted index 126.6 against 131.1 six months ago. Until the recent easing of U.S. M1 money supply, the D-mark had been at its lowest level against the dollar for nearly 10 years, reflecting the large differential between U.S. and German interest rates. However, there now appears to be a gradual shift in emphasis towards economic fundamentals with the D-mark looking increasingly attractive on this basis.

The dollar was a little firmer at yesterday's fixing in Frankfurt at DM 2.6295 from DM 2.6215 while sterling continued to lose ground to DM 3.8790 from *DM 3.9030. Within the EMS* the Belgian franc eased a little to DM 4.9230 from DM 4.9260 per BFr 100 and the French franc slipped to DM 32.875 per FFr 100 from DM 32.880. The Swiss franc was marginally weaker at DM 1.2405 compared with DM 1.2414.

ITALIAN LIRA — Trading range against the dollar in 1983 is 1,618.75 to 1,343. September average 1,601.15. Trade weighted index 49.8 against 52.4 six months ago.

The dollar was fixed higher at yesterday's fixing in Milan at L1,595.05 compared with L1,589.05 on Monday. The pound was weaker however at L2,355.60 from L2,367.00 and EMS currencies also tended to lose ground. The D-mark was fixed at L606.0 from L606.35 and the Dutch guilder eased to L541.88 from L542.17.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.8458	+2.10	+1.76	±1.5447
Danish Krone	8.14104	8.15598	+0.18	−0.16	±1.6425
German D-Mark	2.24184	2.25564	+0.62	+0.28	±1.0642
French Franc	6.87456	6.86422	−0.15	−0.49	±1.4052
Dutch Guilder	2.52596	2.52308	−0.11	−0.45	±1.4964
Irish Punt	0.72569	0.724574	−0.15	−0.49	±1.6699
Italian Lira	1403.49	1367.40	−2.57	−2.57	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Oct. 4	£	$		£ Note Rates
Argentina Peso	19.44-19.51	13.184-13.204	Austria	27.15-27.45
Australia Dollar	1.6390-1.6410	1.1110-1.1115	Belgium	79.40-80.20
Brazil Cruzeiro	1,084.5-1,090.8	735.0-738.0	Denmark	13.94-14.08
Finland Markka	8.3500-8.3660	5.6700-5.6720	France	11.73-11.83
Greek Drachma	136.30-136.90	92.45-92.75	Germany	3.85½-3.89½
Hong Kong Dollar	12.455-12.605	8.48-8.52	Italy	2335-2365
Iran Rial	129.30*	87.00*	Japan	345-350
Kuwait Dinar (KD)	0.4315-0.4320	0.29040-0.29068	Netherlands	4.31-4.35
Luxembourg Fr.	78.80-78.90	53.44-53.46	Norway	10.78-10.88
Malaysia Dollar	3.4610-3.4710	2.3450-2.3470	Portugal	182-195
New Zealand Dlr.	2.2415-2.2465	1.5200-1.5220	Spain	215¼-229
Saudi Arab. Riyal	5.1360-5.1395	3.4810-3.4815	Sweden	11.48-11.58
Singapore Dollar	3.1518-3.1615	2.1355-2.1375	Switzerland	3.10½-3.13½
Sth. African Rand	1.6505-1.6525	1.1190-1.1205	United States	1.46½-1.48½
U.A.E. Dirham	5.4185-5.4280	3.6720-3.6730	Yugoslavia	176-186

* Selling rates.

CURRENCY MOVEMENTS

Oct. 4	Bank of England Index	Morgan Guaranty Changes%
Sterling	82.7	−8.7
U.S. dollar	125.9	+15.6
Canadian dollar	92.2	+1.1
Austrian schilling	117.1	+3.5
Belgian franc	90.7	−11.8
Danish kroner	80.0	−5.0
Deutsche mark	126.6	+7.8
Swiss franc	152.7	+13.9
Guilder	116.5	+5.1
French franc	67.4	−14.6
Lira	49.8	−11.4
Yen	153.0	+10.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Oct 4	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.716141	0.580896
U.S. $	8½	1.05731	0.857171
Canadian $	9.49	*	1.05663
Austria Sch	3¾	19.5539	15.8662
Belgian F	9	56.5555	45.88458
Danish Kr	7½	10.0476	8.15598
D mark	4	2.78080	2.25564
Guilder	5	3.11431	2.52308
French F	9½	8.45694	6.86422
Lira	17	1686.41	1367.40
Yen	5½	247.939	200.749
Norwgn Kr	8	7.76911	6.30320
Spanish Pta	—	160.798	130.418
Swedish Kr	8½	8.27134	6.70822
Swiss Fr	4	2.24171	1.81754
Greek Dr'ch	20½	N/A	79.4083

* C$/SDR rate for Oct 3: 1.30568.

THE POUND SPOT AND FORWARD

Oct 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4705-1.4790	1.4745-1.4755	0.01cpm-0.04dis	−0.12	0.04-0.09dis	−0.18
Canada	1.8120-1.8220	1.8170-1.8180	0.06c pm-0.04 dis	0.07	0.10 pm-par	0.11
Nethlnd.	4.32-4.36½	4.33¾-4.34¾	1⅝-1⅛c pm	3.80	3⅞-3⅜ pm	3.34
Belgium	78.40-79.05	78.80-78.90	5c pm 5 dis	—	par-10 dis	−0.25
Denmark	13.97-14.06	14.00¾-14.01¾	0.85ore pm-0.20dis	0.28	0.65-1.75dis	−0.34
Ireland	1.2420-1.2490	1.2455-1.2465	0.29-0.39p dis	−3.27	0.86-1.00dis	−2.98
W. Ger.	3.86-3.89½	3.87-3.88	1½-1pf pm	3.87	3¾-3¼ pm	3.61
Portugal	182.25-184.50	183.25-183.75	155-420c dis	−18.80	665-1160dis	−20.22
Spain	223.50-224.75	223.85-224.15	240-305c dis	−14.60	700-820dis	−13.57
Italy	2,343-2,356	2,347½-2,349½	14¼-16¼ lire dis	−7.79	46-50 dis	−8.17
Norway	10.80-10.86	10.82-10.83	2.80-3.50ore dis	−3.49	9.15-9.90dis	−3.52
France	11.75-11.83	11.80½-11.81½	3¼-4¼c dis	−3.81	14½-15½dis	−5.08
Sweden	11.50-11.57	11.53-11.54	1.60-2.10ore dis	−1.92	7.20-7.85dis	−2.61
Japan	343-347	344¾-345¾	0.95-0.75y pm	2.95	2.50-2.30 pm	2.78
Austria	27.15-27.35	27.22-27.27	9½-7⅞gro pm	3.80	24¼-20¼ pm	3.27
Switz.	3.11-3.14	3.11¾-3.12¾	1⅞-1⅝c pm	6.24	4½-4 pm	5.44

Belgian rate is for convertible francs. Financial franc 79.75-79.85. Six-month forward dollar 0.12-0.17c dis. 12-month 0.33-0.43c dis.

THE DOLLAR SPOT AND FORWARD

Oct 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4705-1.4790	1.4745-1.4755	0.01cpm-0.04dis	−0.12	0.04-0.09dis	−0.18
Ireland†	1.1820-1.1860	1.1830-1.1840	0.31-0.26c pm	2.89	0.82-0.74 pm	2.64
Canada	1.2320-1.2330	1.2325-1.2330	0.04-0.01c pm	0.24	0.09-0.06 pm	0.24
Nethlnd.	2.9365-2.9445	2.9390-2.9410	0.94-0.84c pm	3.63	2.53-2.43 pm	3.37
Belgium	53.33-53.52	53.44-53.46	3-1½c pm	0.50	2½-½ pm	0.11
Denmark	9.4900-9.5140	9.5000-9.5050	½ore pm-par	0.31	¼-¾ dis	−0.21
W. Ger.	2.6225-2.6335	2.6245-2.6255	0.91-0.86pf pm	4.03	2.48-2.43 pm	3.73
Portugal	123.90-124.75	124.30-124.60	110-280c dis	−18.78	450-800dis	−20.06
Spain	151.85-152.15	151.90-151.95	165-205c dis	−14.60	480-580dis	−13.94
Italy	1,591½-1,595½	1,592-1,593	10¼-11 lire dis	−7.99	32-33 dis	−8.16
Norway	7.3390-7.3540	7.3450-7.3500	2.30-2.60ore dis	−4.00	6.40-6.70dis	−3.56
France	7.9850-8.0200	8.0050-8.0100	2.20-2.30c dis	−3.37	9.40-9.75dis	−4.78
Sweden	7.8180-7.8275	7.8225-7.8275	1.50-1.70ore dis	−2.45	5.10-5.30dis	−2.66
Japan	233.70-234.70	233.90-234.00	0.61-0.56y pm	3.00	1.72-1.67 pm	2.90
Austria	18.45-18.50	18.48-18.49	6.10-5.50gro pm	3.76	16½-14½ pm	3.35
Switz.	2.1135-2.1236	2.1145-2.1155	1.15-1.10c pm	6.37	3.00-2.95 pm	5.61

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.08-54.13.

EXCHANGE CROSS RATES

Oct. 4	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.475	3.876	345.3	11.81	3.123	4.338	2349.	1.818	78.85
U.S. Dollar	0.678	1.	2.627	234.1	8.007	2.117	2.941	1592.	1.232	53.46
Deutschemark	0.258	0.381	1.	89.10	3.048	0.806	1.119	606.1	0.469	20.35
Japanese Yen 1,000	2.896	4.272	11.22	1000.	34.21	9.044	12.56	6802.	5.264	228.4
French Franc 10	0.847	1.249	3281	292.3	10.	2.644	3.673	1989.	1.539	66.77
Swiss Franc	0.320	0.472	1241	110.6	3.782	1.	1.389	752.1	0.582	25.25
Dutch Guilder	0.231	0.340	0.893	79.60	2.723	0.720	1.	541.4	0.419	18.18
Italian Lira 1,000	0.426	0.628	1.650	147.0	5.029	1.330	1.847	1000.	0.774	33.57
Canadian Dollar	0.550	0.812	2.132	190.0	6.498	1.718	2.387	1292.	1.	43.38
Belgian Franc 100	1.268	1.871	4.914	437.9	14.98	3.960	5.501	2978.	2.305	100.

FINANCIAL FUTURES

Quiet trading

Sterling based contracts recovered from early lows in the London International Financial Futures Exchange yesterday to finish little changed from Monday's closing levels. Both short sterling and gilt prices opened on a softer note, reflecting sterling's continued weakness. The market appeared to be inhibited by fears *of a sustained and sharp fall in* the value of sterling, pointing to a similar situation last year when clearing bank base rates were cut to 9 per cent and were then increased over the following few months to a peak of 11 per cent.

The pound's partial recovery later in the day helped prices to finish above the day's lows with three-month sterling for December delivery closing at 90.70 compared with an opening level of 90.69, a low of 90.65 and Monday's close of 90.73. Similarly the December gilt price opened at 106-25 down from 107-05 and touched a low of 106-17 before closing at 107-05. For the second day running December values managed to recover despite falling through the 107-00 level.

Euro-dollar prices were confined to a narrow range throughout the day in rather lacklustre trading. There was little incentive from a quiet cash market with opening levels in the U.S. failing to provide any fresh impetus. There may have been some caution ahead of the regular Federal Open Market Committee meeting. Any changes in credit policies are not easily detected straight away however

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	90.32	90.33	90.28	90.35
March	89.98	89.98	89.95	90.01
June	89.74	89.74	89.72	89.76
Sept	89.48	89.48	89.45	89.49
Dec	89.24	—	—	89.25

Volume 1,100 (1,602)
Previous day's open int 6,831 (6,680)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Dec	90.70	90.70	90.65	90.73
March	90.37	90.37	90.30	90.39
June	90.14	90.14	90.10	90.20
Sept	89.84	—	—	89.90
Dec	89.80	—	—	89.86

Volume 823 (1,543)
Previous day's open int 4,963 (4,763)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	107-05	107-05	106-17	107-05
March	106-23	—	—	106-25
June	106-09	—	—	106-11
Sept	105-27	—	—	105-29
Dec	105-13	—	—	105-15

Volume 2,440 (1,866)
Previous day's open int 3,104 (2,834)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 12-22 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.4770	1.4780	1.4715	1.4845
March	1.4780	1.4780	1.4750	1.4858
June	1.4792	—	—	1.4870

Volume 282 (301)
Previous day's open int 1,017 (970)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3833	0.3836	0.3824	0.3840
March	0.3867	—	—	0.3874
June	0.3900	—	—	0.3907

Volume 83 (120)
Previous day's open int 481 (481)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4776	0.4776	0.4762	0.4785
March	0.4831	—	—	0.4840
June	0.4858	—	—	0.4867

Volume 30 (22)
Previous day's open int 118 (122)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4300	0.4300	0.4283	0.4303
March	0.4332	—	—	0.4333
June	0.4367	—	—	0.4368

Volume 41 (69)
Previous day's open int 206 (222)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	72-24	72-29	72-11	72-18
March	72-07	72-11	71-25	72-00
June	71-26	71-28	71-12	71-18
Sept	71-14	71-16	71-02	71-06
Dec	71-04	71-04	70-25	70-28
March	70-28	70-28	70-17	70-20
June	—	—	—	70-13
Sept	70-15	70-15	70-09	70-07

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.14	91.18	91.02	91.07
March	90.75	90.78	90.66	90.69
June	—	90.52	90.41	90.43
Sept	90.28	90.30	90.19	90.20
Dec	90.09	90.09	89.99	90.00
March	89.89	89.89	89.87	89.81
June	89.70	89.70	89.67	89.62
Sept	89.51	89.51	—	89.43

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.48	90.51	90.40	90.47
March	—	90.09	90.02	90.07
June	—	89.82	89.74	89.78
Sept	89.53	89.56	89.52	89.54
Dec	—	—	—	—

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.08	90.11	89.99	90.06
March	89.72	89.76	89.66	89.70
June	—	89.48	89.40	89.44
Sept	89.21	89.23	89.18	89.20
Dec	88.95	88.95	88.94	88.95
March	—	—	—	88.72

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	1.4780	1.4805	1.4730	1.4770
March	1.4790	1.4810	1.4740	1.4785
June	1.4800	1.4815	1.4775	1.4795
Sept	1.4825	1.4825	1.4825	1.4825
Dec	—	—	—	—
March	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	69-03	69-08	68-20	68-23
March	68-06	68-09	67-23	67-28
June	67-16	67-16	67-03	67-03
Sept	—	—	—	66-18
Dec	66-04	—	—	66-04
March	—	—	—	—
June	—	—	—	65-14
Sept	65-17	65-17	65-12	65-06
Dec	—	—	—	—

MONEY MARKETS

London rates remain soft

UK clearing bank base lending rate 9 per cent (since October 4 & 5)

Interest rates maintained a softer tone on the London money market following the cut in clearing bank base rates. Sterling's weakness on the foreign exchanges met with a somewhat nervous reaction, while the upward sloping yield curve underlined suggestions that there is little prospect of another reduction in base rates within the near future.

The Bank of England forecast a London money market shortage of £350m in the morning, but this was revised to £450m at noon, and to £500m in the afternoon. Total help on the day amounted to £509m. Bills maturing in official hands, repayment of late assistance, and take-up of Treasury bills from Friday's bill tender drained £190m, while the unwinding of bill repurchase agreements absorbed another £387m. On the other hand, Exchequer transactions added £61m to liquidity, and the market was also helped by a fall in the note circulation of £62m, and above target bank balances of £101m.

Before lunch the Bank of England bought £484m bills outright by way of £5m bank bills in band 1 (up to 14 days maturity) at 9 1/16 per cent; £147m bank bills in band 2 (15-33 days) at 9 per cent; £184m bank bills in band 3 (34-63 days) at 8 15/16 per cent; £87m bank bills in band 4 (64-91 days) at 8⅞ per cent; and £61m local authority bills in band 4 at 8⅞ per cent.

In the afternoon £25m bank bills were purchased, through £6m in band 2 at 9 per cent, and £19m in band 4 at 8⅞ per cent.

In the interbank market three-month money finished at 9⅜-9½ per cent, compared with 9⅜-9½ per cent, while discount house buying rates for eligible bills were little changed.

In New York Federal funds were around 9⅝ per cent at lunch, compared with 9½ per cent at the same time on Monday, as the Federal Open Market Committee held its regular meeting to review monetary policy.

In Zurich the four major Swiss banks—Union Bank of Switzerland, Swiss Bank Corp., Credit Suisse, and Swiss Volksbank—have lowered their customer time deposit rates by ½ per cent to 3½ per cent for all maturities, ranging from three to 12 months. The rates reached the most recent peak of 4½ per cent on June 17, and the previous cut was on August 17.

LONDON MONEY RATES

Oct. 4 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	7½-9⅜	9⅛-9¼	—	—	8½-9½	5-9¼	—	—	—
2 days notice	—	—	9¼-9⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9½-9⅝	—	—	—	—
7 days notice	—	9⅛-9½	9¼-9⅜	—	—	—	9	—	—	—
One month	9 1/16-9¼	9¼-9 7/16	9⅜	9⅞-9½	9 7/16	9⅝	9	9 1/16	9 1/16	9 7/16
Two months	9⅜-9¼	9⅜-9½	9⅜	9⅞-9½	9⅜	9 7/16-9¾	9	9	8 15/16-9	9⅜
Three months	9⅜-9¼	9⅜-9½	9⅜	9⅞-9½	9 7/16	9¼	9	8⅞-8 29/32	8 13/16-8⅞	9 7/16
Six months	9 11/16-9 7/16	9½-9⅝	9½	9¼-8⅞	9 7/16	—	—	—	8 15/16-9	9⅝
Nine months	9 11/16-9 9/16	9⅝-9¾	9½	9⅞-9½	9 11/16	—	—	—	—	—
One year	9 11/16-9 9/16	9¾-9 13/16	9⅝	9⅞-9½	9⅞	—	—	—	—	—
Two years	—	—	10⅜	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period September 7 to October 4 1983 (inclusive) 9.718 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10¾ per cent; four years 11 per cent; five years 11¼ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 9 per cent; four months trade bills 9⅝ per cent.

Approximate selling rate for one-month Treasury bills 9 per cent; two months 8⅞-8 15/16 per cent and three months 8 13/16-8 27/32 per cent. Approximate selling rate for one-month bank bills 9 per cent; two months 8 15/16 per cent and three months 8⅞ per cent; trade bills 9¾ per cent; two months 9 21/32 per cent and three months 9 21/32 per cent.

Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from October 1, 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: 5⅞ per cent.

Treasury Bills Average tender rates of discount 8.8680 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¾ per cent; one-three months 9¾ per cent; three-six months 9¾ per cent; six-12 months 10 per cent. Under £100,000 9¼ per cent from September 29. Deposits held under Series 4-5 10 per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Oct. 4	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	8⅞-9⅛	9⅛-9⅜	9⅜-9½	9⅜-9½	9½-9⅝	9¾-9⅞
U.S. Dollar	9¼-9⅜	9⅜-9½	9⅜-9½	9½-9⅝	9⅝-9⅞	9 15/16-10 1/16
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschmrk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belg. Franc Conv	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. OCTOBER 4)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 1/2	offer 9 5/8	bid 9 13/16	offer 9 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	9⅜-9½
Treasury bills (13-week)	8.65
Treasury bills (26-week)	8.84

GERMANY

Lombard	5.5
Overnight rate	5.55
One month	5.775
Three months	6.175
Six months	6.25

FRANCE

Intervention rate	12.25
Overnight rate	12.625
One month	12.50
Three months	12.625
Six months	12.6875

JAPAN

Discount rate	5.5
Call (unconditional)	6.71875
Bill discount (3-month)	6.84375

SWITZERLAND

Discount rate	4
Overnight rate	[illegible]
One month	[illegible]
Three months	[illegible]

NETHERLANDS

Discount rate	5
Overnight rate	5⅝-5⅞
One month	5⅞-6
Three months	6⅛-6⅜
Six months	6⅛-6⅜

$ CERTIFICATES OF DEPOSIT

One month	9.20-9.30
Three months	9.25-9.35
Six months	9.40-9.50
One year	9.70-9.80

LONG TERM EURO $

Two years	10⅞-11⅛
Three years	11⅛-11⅜
Four years	[illegible]
Five years	[illegible]

SDR LINKED DEPOSITS

One month	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

ECU LINKED DEPOSITS

One month	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for October 4.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 10¼ 90	100	94⅝	95⅛	+0⅛	+0⅞	11.36
Bank of America 8 88 XW	150†	86⅝	87⅛	+0⅝	+0⅞	11.94
Bank of Tokyo Hold 11 90	100	94⅞	95⅝	0	+0⅛	12.09
British Col Hyd 10¾ 88	200	97¼	97¾	0	+0½	10.65
C.C.C.E. 11¾ 97	100	94⅝	95¼	0	+0⅞	12.52
Can Imp Bk Com 11 90	75	92⅞	93⅜	0	0	12.62
Citicorp O/S 10¾ 90	100	92¾	93¼	0	−0¼	11.93
Coca Cola Int 9⅞ 92	100	93⅛	93⅝	−0⅛	−0½	11.08
Cred Suisse BAH 10½ 90	150	96⅝	97⅛	−0⅛	−0⅛	11.17
Credit Suisse 10½ 89	100	99½	100	0	+0⅞	10.54
Den Norsk Cred 11¼ 93	50	93¾	94¼	−0⅛	0	12.32
Du Pont 11⅛ 95	150	99½	100	−0⅛	−0⅛	11.27
E.C.S.C. 11⅞ 90	75	99⅞	100⅜	0	+0⅛	11.83
E.D.C. 10¾ 88	100	97½	98	0	0	11.41
E.D.C. 11¾ 87	100	101	101½	−0⅛	−0⅛	11.34
E.D.F. 11⅛ 93	100	93½	94	−0⅛	+0⅛	12.24
E.E.C. 11 87	350	99	99½	+0½	+0⅜	11.22
E.I.B. 10¾ 93	200	92¾	93¼	+0⅛	+0⅛	11.99
E.I.B. 11 91	125	95⅞	96⅜	+0⅜	+0¼	11.78
Electrolux 10½ 90	50	91⅜	91⅞	−0⅛	−0¼	12.30
Ensearch Fin 11⅝ 93	100	96⅛	96⅝	0	0	12.26
Fuji Int Fin 10⅞ 90	100	93⅝	94⅛	0	+0⅛	12.25
Gen Elec Credit 9¾ 91	100	92½	93	0	−0⅜	11.17
GMAC O/S Fin 10½ 90	200	96⅝	97⅛	0	−0¼	11.19
Honeywell Int 10¾ 90	100	97¾	98¼	0	−0¼	11.17
Indust Bk Japan 10⅞ 88	100	97⅜	97⅞	−0⅛	−0⅜	11.53
Japan Air Lines 10⅞ 88	42	93⅜	93⅞	−0⅛	−0¼	11.79
Japan Air Lines 11 93	75	95¼	95¾	−0⅛	−0⅛	11.78
J. P. Morgan 11⅜ 90 WW	150	98⅝	99⅛	−0⅛	−0¼	11.61
Levi Strauss Int 11 90	75	97¼	97¾	0	+0⅞	11.53
L.T.C.B. 10¾ 90	100	94	94½	+0¼	+0¼	12.02
L.T.C.B. 12½ 90	85	102¾	103¼	+0⅛	+0⅝	11.84
Merrill Lynch 10⅝ 90	200	96¼	96¾	−0⅛	−0¼	11.38
Midland Int Fin 11½ 92	150	97⅝	98⅛	0	+0⅛	11.88
Mitsubishi Corp 10½ 90	100	94¼	94¾	−0⅛	+0⅛	11.71
Mitsubishi Fin 11⅛ 90	100	96½	97	+0⅛	+0⅞	12.00
Nippon Credit 11 90	100	94⅝	95⅛	+0⅛	+0¼	12.14
O.K.B. 10 91	100	91	91½	+0⅛	+0⅜	11.79
Ontario Hydro 10¾ 90	250	93⅜	93⅞	−0⅛	−0⅛	11.65
Ontario Hydro 11¼ 88	200	100	100½	−0¼	+0⅛	11.17
Prudential O/S 10⅝ 93	100	95⅝	96⅛	0	+0⅛	11.31
Prudential O/S 12⅜ 87	150	104⅜	104⅞	−0⅛	0	11.25
Quebec Hydro 11½ 92	100†	96⅝	97⅛	−0¼	−0¼	12.07
Saskatchewan Pr 10¾ 90	125	95⅞	96⅜	+0¼	+0⅜	11.60
S.N.C.F. 11½ 93	100	96½	97	+0⅛	+0⅞	12.07
Sth Cal Edison 10½ 90	75	96⅝	97⅛	0	+0¼	11.14
Sumitomo Fin 10⅞ 90	100	93⅞	94⅜	+0¼	+0⅜	12.18
Swiss Bk Corp 10¼ 90	250	98¼	98¾	−0⅛	+0⅛	10.57
Texaco Capital 9¾ 90	150	94⅞	95⅜	0	0	10.87
U.B.S. 10 88	100	98	98½	0	+0⅞	10.47
U.B.S. 11 88	150	101⅞	102⅜	0	+0⅝	10.50
Westpac Int Fin 11 90	100	93	94	0	0	12.46
World Bank 10⅞ 88	150	96¾	97¼	0	−0⅛	11.22
World Bank 10⅞ 93	100	94½	95	0	−0⅛	11.80
World Bank 11⅛ 88	100	98⅝	99⅛	0	0	11.51
World Bank 11½ 90	150	98½	99	0	+0⅞	11.78
World Bank 12 93	200	100⅝	100⅞	−0⅛	−0⅛	11.93

Av. price changes: on day 0, on week +⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅞ 93	100	99	99½	+0¼	+0¾	7.48
A.N.A.S. 8¼ 88	100	99⅛	99⅝	−0⅛	+0⅛	8.46
Austria, Rep 7⅝ 89	100	99¾	99¼	0	+0⅞	7.84
Austria, Rep 8 93	100	99⅞	100⅜	+0⅛	+0¼	7.97
Avon Int Fin 7½ 93	100	98⅞	99⅜	+0⅛	+0⅞	7.63
B.F.C.E. 8¼ 90	150	99¾	100¼	0	+0⅛	8.24
Comp Tel Nac Esp 8⅛ 93	100	95	95¾	+0⅛	+0⅞	8.97
Deutsche Bank 3¾ 91 WW	240	106½	107¼	−0⅞	−0¾	2.74
Deutsche Bank 3¾ 91 XW	240	81½	82	0	+1⅛	6.90
Dresdner Finance 4 90 WW	250	107	108	+0¼	−2	2.78
Dresdner Finance 4 90 XW	250	83¾	84¼	−0¼	+0¾	7.08
E.C.S.C. 8 90	160	100½	101	+0¼	+0½	7.85
E.E.C. 8¼ 93	250	101⅝	102⅛	+0⅜	+1⅛	7.96
Eurofima 7½ 90	100	99⅛	99⅝	+1⅛	+0⅞	7.61
Finland Rep 7½ 88	150	99½	99¾	+0⅛	+0⅝	7.65
Int-Am Dev Bk 7¾ 93	200	95¼	95¾	−0¼	0	8.45
Int Standard Ele 7¾ 93	100	99½	100	0	+0⅝	7.78
Japan Dev Bank 7½ 90	100	100⅛	100⅝	+0⅛	+0⅞	7.42
Kobe City 7 93	120	95¾	96¼	+0¼	+0½	7.61
L.T.C.B. 8 90	100	101¾	102¼	+0¼	+0⅝	7.61
Renault Acceptance 8 90	150	98	98½	0	+0⅝	8.34
S.D.R. France 7⅞ 93	100	96½	97	0	0	8.37
Sth African Tran 8¼ 90	100	98¾	99¼	0	0	8.44
Volkswagen Int 7¼ 93	200	97½	98	−0¼	+1⅛	7.58
World Bank 7½ 90	250	97⅛	97⅝	+0⅛	+0½	8.01
World Bank 7½ 93	300	95⅛	95⅝	−0⅞	−0⅛	8.21

Av. price changes: on day 0, on week +¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
AKZO 5⅞ 93	100	98¾	99	0	−0¼	5.78
Bank of Tokyo 6 91	100	102	102¼	0	+0½	5.66
Bergen, City of 5¾ 95	40	100	100¾	+0⅛	+0⅛	5.73
Carls-Tuborg Brw 5¾ 93	80	101¾	102	+0⅞	0	5.49
Denmark 6⅛ 91	100	102½	102¾	0	0	5.94
E.D.C. 5⅜ 91	100	99⅞	100⅛	−0⅛	+0⅜	5.37
E.I.B. 5¾ 93	100	99	99¼	+0½	0	5.87
Ex-Im Bk Japan 5⅞ 91	100	98¾	99	0	+0¾	5.88
Ind Fond Finland 6⅛ 91	40	100¾	101⅛	−0⅛	−0⅛	6.00
Int-Am Dev Bk 6⅛ 93	100	100	100½	−0⅜	−1	6.08
Japan Dev Bank 5½ 93	100	97½	97¾	−0½	−0½	5.82
Japan Dev Bank 5⅞ 93	100	99⅞	100⅛	+0¼	+0⅜	5.87
Kansai Elec Power 6 91	100	103	103¼	0	+0⅝	5.49
Kawasaki Steel 6⅛ 91	100	101⅜	101⅝	+0⅜	+0⅛	5.87
Montreal Urban 5¾ 93	100	101⅛	101⅞	−0⅛	−0⅛	5.51
Mount Isa Finance 6 93	100	102½	102¾	−0¼	−0¼	5.64
Nisshin Steel 6⅛ 91	100	100	100¼	0	0	6.22
Osterr Draukraft 6 93	100	102¾	102⅝	+0¼	+0⅛	5.65
Osterr Post 6⅛ 91	100	102½	103	+0⅜	+0⅛	5.67
Quebec Hydro 5½ 93	100	100½	100¾	+0⅜	+0½	5.41
Sekisui House 6 93	100	100¾	101	−0⅜	−0⅛	5.87
Sumitomo Heavy Ind 6 91	100	99⅜	99⅞	−0¼	+0⅞	6.04
Sumitomo Metal Ind 6 91	100	100½	100¾	+0¼	−0½	5.88
Tokyo Elec Power 5⅞ 91	100	100¼	100½	+0¼	+0½	5.81
Trizec Corp 6⅛ 91	100	100⅞	101⅜	+0¼	−0¼	6.05
World Bank 5⅝ 93	100	98¼	98½	+0¼	+1	5.85

Av. price changes: on day +⅛, on week +⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	104¼	105	+0¾	+0¼	7.89
E.I.B. 8¼ 92	15	102⅜	102⅞	+0⅛	+0¼	7.81
Japan Airlines 7⅞ 87	8†	101¾	102¼	+0¼	+0¼	7.08
New Zealand 7⅞ 89	15	102	102½	0	0	7.14
World Bank 8⅜ 92	20	103¾	104	+0¼	0	7.76

Av. price changes: on day −⅛, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12¼ 90 CS	75†	98⅛	98⅝	0	−0½	12.61
Norcen 12¾ 93 CS	88†	96½	97	0	+0¼	13.34
TD MTG Corp 12½ 88 CS	40†	99¾	100¼	0	0	12.49
Quebec Hydro 12¾ 93 CS	50†	97¾	98¼	0	0	13.12
Quebec Province 12 93 CS	50†	99	99½	−0½	+0¼	12.11
Royal Trstco 12⅝ 88 CS	50†	98⅞	99¼	+0⅜	+0⅞	12.88
Xerox Canada 12 88 CS	40†	102⅜	102⅞	+0¾	+0⅞	11.26
E.E.C. 11¼ 93 ECU	70	100⅛	100⅝	−2	−2	11.16
Svenska 11¼ 91 ECU	40	98½	99	0	−0⅛	11.42
Algemene Bank 8¾ 88 Fl	150	100⅛	100⅝	+0¼	+0⅛	8.64
Bank Mees & Hope 8 88 Fl	75	101	101½	+0⅛	0	8.67
Elect Supply 8⅜ 88 Fl	75	97⅛	97⅝	0	+0½	9.45
P.H.P. 8⅜ 88 Fl	50	100	100½	+0¼	+0⅛	8.87
Swed Exp Cred 7⅞ 88 Fl	100	95⅝	96⅛	0	+0½	8.88
World Bank 9 88 Fl	100	102⅛	102⅝	+0½	+0½	8.38
O.K.B. 14 88 FF	400	100½	101½	0	−0⅛	13.37
Solvay & Cie 14¾ 86 FF	200	101½	102½	0	−0⅜	13.61
B.F.C.E. 11½ 88 £	50	98⅛	98⅝	0	+0¼	11.93
British Oxyg 11¾ 91 £	50	100⅛	100⅝	+0⅛	−0⅜	11.62
CEPME 11¼ 95 £	35	98½	99½	+0⅛	+0½	11.39
E.E.C. 11⅞ 91 £	50	99⅝	100⅛	0	0	11.87
Fin For Ind 10½ 90 £	20	94	94¾	−0⅛	−0⅜	11.74
Fin For Ind 12⅛ 88 £	30	103⅜	104⅜	0	+0¼	11.28
Finland Rep 11⅞ 88 £	50	98¾	99½	−0¼	0	12.11
Fin Mor Oranj 12⅝ 92 £	30	101½	102¼	0	−0⅛	12.26
Gen Elec Co 12½ 89 £	50	102⅞	103⅝	0	−0⅜	11.67
Mort Bk Fin 11¾ 89 £	15	96⅞	97⅜	−0⅛	+0½	12.40
Norsk Hydro 12 90 £	30	102	102¾	+0⅛	−0⅜	11.42
S.N.C.F. 11½ 89 £	30	97⅝	98⅜	+0⅜	+1	11.87
Sweden 11⅛ 93 £	50	96¼	97	+0⅛	+0⅜	11.83
Swed Exp Cred 11¼ 88 £	30	97¼	98	+0⅛	+0⅛	11.90
World Bank 11⅛ 88 £	100	97¾	98½	0	0	11.83
World Bank 11⅜ 91 £	75	99⅞	100⅛	0	0	11.32
Euratom 11 93 LuxFr	500	101¼	102¼	0	−0½	10.69
Europarat 10¾ 93 LuxFr	800	102¾	103¾	−0¼	−0⅜	10.20

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 87	0¼	99¾	100	27/1	10⅝	10.69
B.F.C.E. 5⅛ 88	0⅛	99⅜	99⅞	20/1	10.19	10.20
Caisse Nat Tels 5¼ 90	0⅛	99¼	99½	21/10	9.56	9.62
C.C.F. 5¼ 95	0⅛	99¼	99½	7/10	10.19	10.25
C.C.F. 5¼ 98	0¼	99¾	100	24/3	10.19	10.20
Cepme 5¼ 88 WW	0¼	99⅝	100⅛	3/12	10.56	10.57
Cepme 5¼ 92	0¼	99⅛	99⅝	10/12	10½	10.53
Chemical NY 5⅛ 94 ††	0⅛	100⅛	100⅜	23/12	10	9.93
C.N.C.A. 5¼ 95 XW	0¼	99½	99¾	7/12	10	10.00
C.N.T. 5¼ 91	0⅛	98¼	98½	6/11	9⅛	9.31
Credit Agricole 5¼ 97	0⅛	99½	99¾	24/3	10.31	10.35
Credit Lyonnais 5¼ 94	0¼	99⅝	99⅞	5/1	10.31	10.34
Credit Lyonnais 5¼ 97	0¼	99⅝	99⅞	1/10	10.06	10.11
Credit Nat 5¼ 94	0¼	99½	99¾	9/3	10¾	10.79
E.D.F. 5¼ 85 XW	0⅛	99⅞	100	10/2	11⅜	11.39
E.E.C. 5 90	0⅛	99⅞	100⅛	5/1	10.19	10.18
Kansallis Osake 5¼ 92	0¼	100⅛	100½	8/11	9⅛	9.06
Long Term Cred 5¼ 92	0⅛	100	100¼	27/11	9¾	9.74
J.P. Morgan 5¼ 97 §	0¼	100⅞	101⅛	12/11	10.81	10.69
New Zealand 5¼ 87	0⅛	100⅛	100⅜	7/10	10.06	10.03
NZ Steel Dev 5¼ 92	0¼	100	100½	22/12	10¼	10.22
Nippon Credit 5¼ 90	0⅛	100½	100¾	10/2	11¼	11.18
Soc Generale 5¼ 98 XW	0⅛	99⅛	99⅞	9/11	9⅛	9.19
Société Générale 5¼ 95	0¼	99¾	100¼	1/3	10.31	10.31
Sweden 5¼ 89	0¼	100⅛	100⅜	26/2	10.19	10.16
Sweden 5¼ 93	0⅛	100⅜	100⅝	3/2	11.19	11.12

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	113¼	114¼	+0⅝	5.49
Canon 7 97	7/82	748.2	231½	233½	−0⅜	15.28
Daiwa Sec Co 5½ 98	10/83	508	97¼	98½	−0⅜	2.68
Hitachi Cable 5¼ 98	2/82	515	108¼	109⅜	+0⅝	2.88
Honda Motor 5¼ 98	6/83	884	107¼	108¼	−0⅛	1.29
Honda Motor 5½ 97	3/83	750.6	123⅞	125⅞	−0⅛	−0.14
Kumagai Gumi 6½ 97	10/82	480	123¾	125¼	−3⅛	−4.25
Kyowa Hakko 6¼ 97	2/83	762	116	117½	−0⅞	11.52
Minebea Co Ltd. 5½ 98	5/83	987	133½	134½	−0⅝	−0.06
Mitsubishi Electric 5⅛ 98	6/83	396	112⅝	113⅝	+0⅞	3.26
Nippon Electric 5¼ 97	2/82	705.9	180⅞	182⅞	−1	1.72
Nippon Oil Co 5½ 98	4/83	964	127	128	−2⅛	−1.44
Nissan Motor 5¼ 98	4/83	770	95⅞	98⅞	−0⅛	7.28
Olympus Optical 6¾ 97	12/82	1331	100	101½	−0⅛	7.18
Orient Finance 5¼ 97	3/82	827.2	93⅞	95⅜	−2	−1.88
Orient Leasing 5¼ 98	8/83	2688	97¼	98¼	−0½	−5.53
Secom 5 98	11/83	2920	119⅝	120⅝	−1⅛	0.84
Sumitomo Electric 5½ 97	3/82	577.3	115⅛	117⅛	+1⅜	1.48
Yamaichi Sec Co 5 98	8/83	472	94⅞	96⅜	−0¼	2.37
Yamanouchi Pharm'cal 4 98	10/83	1890	99⅛	100½	−0⅞	2.68
NEC Corp 3½ 93 SF	6/83	978	149	151	0	−1.38
Sanyo Electric 3½ 93 SF	5/83	581	106⅞	108⅞	−0⅛	7.90
Konishiroku 6⅞ 88 DM	6/82	616	119⅞	121	+1⅞	2.69
Mitsubishi Heavy 6 89 DM	2/82	263	114½	115⅞	+2½	−3.10
Sun Realty 6⅛ 92 DM	2/83	365	127¼	128¼	+5¾	−5.78

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cr. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

RTZ issue quickly marked down to 2% discount

BY MARY ANN SIEGHART IN LONDON

RIO TINTO-ZINC (RTZ), the UK mining and metals company, found itself cold-shouldered by Eurobond investors yesterday when it issued a $150m Eurodollar bond. Dealers in the market considered the terms to be far too tight and immediately marked the paper down to a discount of more than 2 per cent.

The issue has a life of 10 years and a coupon of 11⅜ per cent at par. Kleinwort, Benson is the sole lead manager.

Some market participants pointed to the recent $125m Britoil deal, which, at 11⅜ per cent for seven years, has a higher coupon for a smaller amount and shorter maturity. Britoil is also 49 per cent Government-owned, which makes it more creditworthy in the eyes of the market.

Last week's bond for Sears Roebuck, the U.S. retailer, had identical terms to the RTZ bond, and its sales went slowly, although Sears is considered to be a much better name.

Elsewhere in the primary market, Salomon Brothers issued its currency warrants, as expected. The price of the warrants moved up and down during the day, following the spot price of the currencies, but by late afternoon, the call option was going for $48⅜ and the put warrant, which allows investors to sell sterling at $1.46 to £1, was trading at $51½.

Salomon Brothers claimed yesterday that more than half the issue had been sold, with the call warrants slightly more popular than the puts. Salomon has promised to make a market in them throughout their one-year life at "reasonable" prices, but doubts that other houses will be market makers.

Several market participants said they liked the idea of currency warrants but felt that those might be a little expensive. However, there is no direct comparison to be made, even in the U.S. On the Philadelphia Options Exchange, most trading is done on a three or six-month basis, and futures are not strictly comparable to warrants in that their downside risk is unlimited.

Konishiroku Photo Industry's $50m, 15-year convertible was given a coupon of 4 per cent yesterday, as indicated. Nomura International, the lead manager, added that the conversion premium would be 5.85 per cent over last night's closing price of Y637.

The dollar secondary market was quiet again and prices closed unchanged.

The World Bank issued an international guilder bond for Fl 300m yesterday through ABN Bank. The 10-year public bond has a coupon of 8⅝ per cent at par.

It also launched a DM 150m private placement in West Germany through DG Bank. This has a life of five years and a coupon of 8⅝ per cent at par. Even though the final price was ¼ per cent more than the market had expected, the bond traded around par.

In Switzerland, Ente Nazionale per L'Energia Elettrica (ENEL) issued a floating-rate note yesterday - rare for the Swiss market. The bond will be for SwFr 50m to SwFr 80m and will have a 10-year life and a price of par. The spread will be ¼ point over the six-month Swiss franc London interbank offered rate. Banque Gutzwiller, Kurz, Bungener is the lead manager.

The Inter-American Development Bank, meanwhile, launched a SwFr 100m straight public issue. The 10-year bond, led by UBS, has an indicated yield of 6⅛ per cent.

Secondary market prices in Switzerland and West Germany rose slightly in moderate turnover.

INTERNATIONAL APPOINTMENTS

Manufacturers Hanover Trust makes changes

● MANUFACTURERS HANOVER TRUST CO has made several senior management promotions in connection with the realignment of major operating units and formation of a new investment management subsidiary. Mr John J. Evans and Mr Edward A. Farley were elected vice-chairman. Mr Evans continues his responsibility in the operational area and Mr Farley has special responsibility for domestic credit.

Organisational changes include forming a North American banking division, combining units of the Metropolitan and National divisions, with Mr Donald H. McCree, Jr, executive vice-president, as division head. An energy division, headed by Mr Conrad P. Albert, as executive vice-president. A separate institutional trust and agency division, headed by Mr Joseph L. McElroy, executive vice-president. An investment management subsidiary, Manufacturers Hanover Investment Corp, president Mr Victor J. Melone. A private banking and securities industry division, headed by Mr Albert R. Gamper, executive vice-president. Manufacturers Hanover Merchant Banking Group, headed by Mr S. A. Constance, executive vice-president. A special financing group headed by Mr Frank C. Wright, Jr, executive vice-president.

Other changes include the promotion to executive vice-president of Mr Robert W. Keith, personnel; Mr David W. Larson, operations; and Mr William C. Langley, credit administration. Mr Michael Hegarty was elected senior vice-president and deputy general manager, energy division. New senior vice-presidents include: Mr Edward G. Beach, North American banking division; Mr Michael R. Brundage, energy; Mr Joseph S. Jasionowki, institutional trust; Mr Donald H. Layton, portfolio and investment banking; and Mr Martin H. Zuckerman, personnel.

● Ms Joan E. Spero has been appointed senior vice-president, international corporate affairs, for the AMERICAN EXPRESS CO. She was vice-president, international corporate affairs, and is based in the American Express Plaza in New York. Her responsibilities include international public and government relations, speech writing for senior management and the writing, production and distribution of the company's annual report and quarterly earnings releases. During 1980 she was U.S. Ambassador to the UN Economic and Social Council.

● Mr Dietrich P. Rogala, managing partner of Charles Barker Corporate Communications, Frankfurt, has been elected a member of the supervisory board of CHARLES BARKER FRANKFURT, the financial advertising agency.

● Mr John D. Taysom, formerly vice-president international and corporate officer of Gulton Industries Inc., Princeton, U.S., is heading an investment group and a new company, IMPAC ELECTRONICS, Frankfurt, West Germany, which has acquired the electronic pyrometer business of Gulton Industries.

● THE AMERICAN BANKERS ASSOCIATION (ABA) has changed the name of the bank personnel division to the ABA human resources division. ABA director, Mr John W. Northwang Jr, heads the administration group which includes the human resources division. Ms Shirley E. Broder, who joined the ABA staff in July as associate director of the division, will have responsibility for the division's activities and programmes.

● Mr Robert D. Dalziel, AT&T assistant vice-president for Bell Operating Co. planning and implementation, has been appointed vice-president, operations, for AT&T INTERNATIONAL. He succeeds Mr Richard E. Pitts, who becomes vice-president, marketing services, for AT&T Communications.